



Canada Border
Services Agency

Agence des services
frontaliers du Canada

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DRUG ANALYSIS REPORT (DAR)

2015 (JANUARY TO DECEMBER)

**Intelligence Analysis Section,
Intelligence Operations and Analysis Division,
Enforcement and Intelligence Operations Directorate**

PROTECTION • SERVICE • INTEGRITY

Canada

DRUG ANALYSIS REPORT (DAR)
INTELLIGENCE ANALYSIS SECTION
2015 (JANUARY TO DECEMBER)

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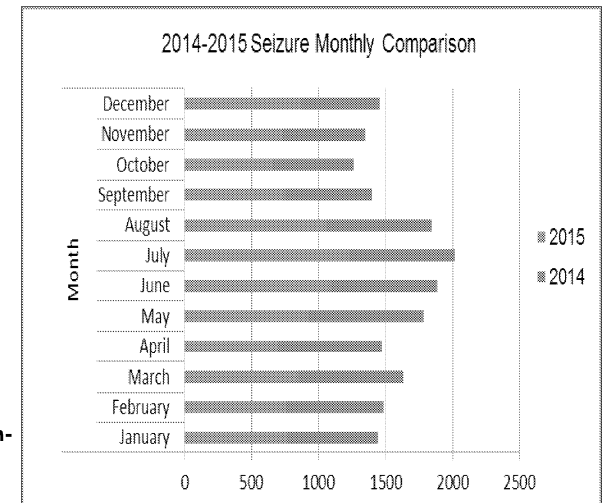
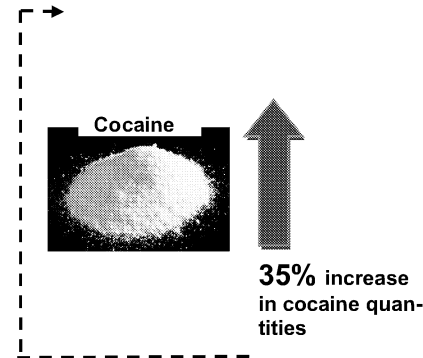
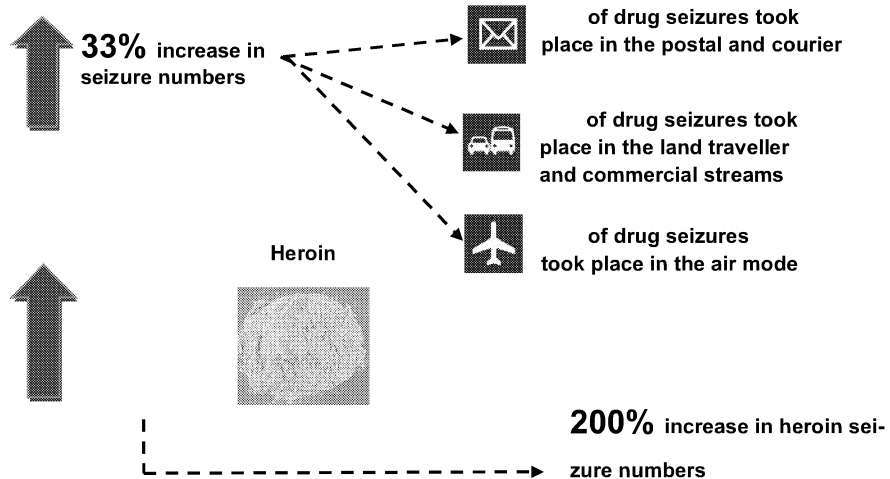
Page 2

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DRUG ANALYSIS REPORT (DAR)

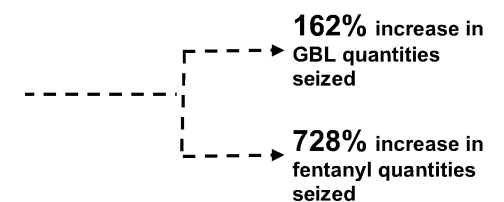
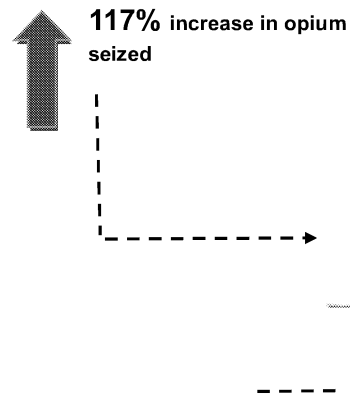
INTELLIGENCE ANALYSIS SECTION

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Similarly to 2014, the highest number of seizures occurred in the summer months particularly **July** (1,228) whereas the lowest number of seizures occurred in October (654)

Changes in drug statistics from 2014 to 2015		
Drug	Seizures	Quantity
Cocaine	Stable	-50%
Heroin	68%	-4%
Opium	-12%	31%
Marihuana	54%	-61%
Amphetamine	35%	-42%
Methamphetamine	38%	-30%
Hashish	51%	62%
Khat	-4%	-49%
GBL	-24%	194%
Steroids	-14%	8%
MDMA	109%	513%
Fentanyl	60%	728%



DRUG ANALYSIS REPORT (DAR)
 INTELLIGENCE ANALYSIS SECTION
 2015 (JANUARY TO DECEMBER)

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Drug Analysis Report (DAR)

The following report will provide statistical information on each of the main categories of drugs seized by the CBSA, coupled with trend analysis, examination of supply and demand factors as well as forecasts for 2016. All information was extracted using the Integrated Customs Enforcement System (ICES). The following is an explanation of the modes outlined for each category of narcotics:

Modes

Air (P) refers to the air traveller/passenger stream at Canadian international airports.
 Air (C) is comprised of narcotics seized via courier parcels and other types of commercial aircraft.
 Land (P) refers to land traveller mode in private vehicles.
 Land (C) contains seizures in commercial tractor trailers.
 Postal mode includes all seizures in mail other than commercial couriers.
 Marine mode includes cargo containers and small private boats
 Rail mode includes passenger and commercial trains.

Regions

Atlantic (ATL)
 Quebec (QUE)
 Greater Toronto Area (GTA)
 Northern Ontario (NOR)
 Southern Ontario (SOR)
 Prairies (PRA)
 Pacific (PAC)

Other Terms

Canadian Centre on Substance Abuse (CCSA)
Controlled Drugs and Substances Act (CDSA)
 World Health Organization (WHO)
 Port of Entry (POE)
 United Nations Office on Drugs and Crime (UNODC)

Explanatory notes on the report and data:

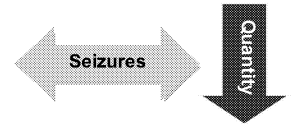
1. Information for this report was retrieved from the Integrated Customs Enforcement System (ICES) for the period of January 1st, 2015 to December 31st, 2015. Data was pulled over the period January 18th to the 25th, 2016. Subsequent changes to 2015 data in the system were not captured.
2. For the purposes of this report, countries found in the "Transit" category may also be origin countries in some instances. The lists are based on the stated point of origin in ICES.
3. Residue seizures were not counted towards total numbers.
4. Modes were determined based on the POE. For POEs where the mode was unclear, closer analysis was done in order to determine the accurate method in which the narcotics were seized.
5. Air commercial mode includes courier parcels as well as other commercial cargo, including all seizures listed under "Cargo" section of airports in ICES
6. Outbound drug seizures are included in total numbers.
7. Methamphetamine numbers include powder meth as well as crystal meth.
8. All original units of measure were preserved for narcotics reported in ICES that are seized in varying forms such as dosage (pills), grams and millilitres.
9. Due to the absence of a drug category for fentanyl in ICES, the reporting on this drug is not comprehensive. However based on individual seizure tracking and consultations, we are confident in the judgements reported.

DRUG ANALYSIS REPORT (DAR)
INTELLIGENCE ANALYSIS SECTION
2015 (JANUARY TO DECEMBER)

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COCAINE

Schedule I substance under the *Controlled Drugs and Substances Act* (CDSA)



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2015 Main Transit Points	2014 Main Transit Points	2014
Total: 303 seizures [1,157kg]			Total: 303 seizures [2,358kg]		

ANALYSIS

Analysis

In 2015, the number of cocaine seizures was on par with 2014 while quantities seized dropped by half. Although cocaine is smuggled from various countries, higher quantities have transited through in 2015. Seizure numbers in streams increased while decreasing in other modes. Quantities seized decreased across modes with the exception of these regions encountered large intelligence led marine seizures in 2014. Large drops in quantities seized in 2015 were encountered in reported drops in the number of seizures and quantities, seizures increased and quantities decreased. The regions have remained at relatively stable levels compared to 2014.

Supply and Demand Factors

While coca bush cultivation is stable in two of the primary cultivating countries, are at record lows since the United Nations Office on Drugs and Crime (UNODC) began tracking this type of information in the 1980s. Fumigation of coca bushes by law enforcement combined with continued dismantling of cocaine labs throughout South/Central America are decreasing the supply of cocaine to Canada. According to the Canadian Centre on Substance Abuse (CCSA), the rate of cocaine use in the Canadian population is low (~1%), nevertheless, cocaine is the second most commonly used illicit substance.

Forecast

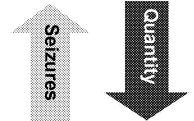
Cocaine seizures in 2016 are expected to be on par with 2015 while quantities are predicted to decrease. Seizures from 2010 until 2015 have remained relatively stable ranging from 300 to 420, and quantities have hovered around 1,000 kilograms with the exception of 2010 and 2014 due to large seizures. will remain the most at-risk transshipment points for cocaine seized in Canada. Given the cocaine shortage, there is the heightened risk that

DRUG ANALYSIS REPORT (DAR)
INTELLIGENCE ANALYSIS SECTION
2015 (JANUARY TO DECEMBER)

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MARIHUANA

Schedule II substance under the CDSA



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2015 Main Transit Points	2014 Main Transit Points	2014
Total: 3601 [156kg]					Total: 2338 [407kg]

ANALYSIS

Analysis

Marihuana seizures increased by 54% in 2015 as quantities decreased by 61%. accounted for the highest number of marihuana seizures, representing 32% of total seizures, followed by : at 28% and 10% respectively while seized 5% or less. Despite a lower number of seizures, intercepted the largest quantities of marihuana followed by Compared to 2014, seizure numbers have increased in but decreased in reported increases in quantities seized. Drops in quantity seized in were 98% and 86% while decreased by 21%. Since 2014, i continue to be the origin/transit points for marihuana seized at Canadian POEs. Marihuana from is most commonly seized in the | while marihuana from the is seized almost exclusively at the . Marihuana from is most often seized in the | are all large producers of marihuana and given that it's grown domestically, smuggling routes are not as varied as other narcotics. Generally, marihuana seized is for personal use, weighing 30 grams or less.

Supply and Demand Factors

Marihuana is grown across Canada, which results in less illicit imports than other narcotics. Canada is known to export considerable amounts of marihuana as shipments of over 5kg have been seized on route to countries such as

Forecast

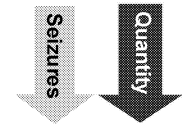
Given the extensive degree to which marihuana is grown domestically, quantities seized inbound at POEs will be on par with 2015. Seizures are likely to continue increasing in small amounts due to legalization of marihuana in and decriminalization in Largest marihuana seizures are expected to continue to occur outbound, primarily to

DRUG ANALYSIS REPORT (DAR)
 INTELLIGENCE ANALYSIS SECTION
 2015 (JANUARY TO DECEMBER)

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CATHA EDULIS (KHAT)

Schedule IV substance under the CDSA



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2015 Main Transit Points	2014 Main Transit Points	2014
Total: 633 [4,239kg]					Total: 661 [8,369kg]

ANALYSIS

Analysis

In 2015, the number of seizures and quantities of khat seized by the CBSA decreased by 4% and 49% respectively compared to 2014. A decrease in seizure numbers occurred in reported an increase. Drops in quantities seized occurred in of 90% and 34% as reported increases of 9%. Routings for khat smuggling activities targeting Canada have considerably changed from the is the preferred method for smuggling khat to Canada followed by

Supply and Demand Factors

Khat is the drug of choice among the in Canada. The drug is cultivated and legal in Smugglers prefer to send fresh khat to its final destination within 48 to 72 hours after the plant is harvested as khat leaves start to deteriorate and lose the stimulant effect (cathinone, the narcotic content).

Forecast

Although khat seizures have declined, khat smuggling activities originating from will continue to target Canada at similar levels to 2015, given that the demand for khat remains high in the Quantities seized are expected to drop, due to a consistent decrease recorded since 2012. Due to more frequent social gatherings during the summer when consumption of this drug is preferred, the summer months are expected to record higher than average seizures of this substance.

DRUG ANALYSIS REPORT (DAR)
INTELLIGENCE ANALYSIS SECTION
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GAMMA- BUTYROLACTONE (GBL)

Schedule VI substance under the CDSA



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Litres)	2015 Main Transit Points	2014 Main Transit Points	2014
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Total: 60 [3,082litres]					Total: 79 [1,048 litres]		
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ANALYSIS

Analysis

GBL quantities seized in 2015 have significantly increased by 194% as the drug gains popularity as an alternative for alcohol and other drugs. Seizure numbers dropped by 24%. have reported significantly higher amounts of GBL seized. reported GBL seizures; none had occurred in 2014. Source or transit countries have remained consistent with 2014, as chemical companies in account for significant quantities of GBL seized in Canada.

Supply and Demand Factors

GBL can be easily and legally sourced through the Internet, is consumed by a diversified clientele and has a high profit margin once converted to Gamma-hydroxybutyric acid (GHB). Studies have found that the recreational use of GBL/GHB has been increasing steadily in the last decade, especially among young people as the sought-after effects mimics those of alcohol and is not as expensive. Legitimate companies may be misused by traffickers to source GBL for the illegal production of drugs. There are numerous legitimate chemical suppliers that sell GBL, most of which are located in however, the World Health Organization (WHO) has reported some located in According to social media websites, unnamed suppliers from are available through the darknet.

Forecast

GBL smuggling activities will increasingly target Canada resulting in higher quantities and seizure numbers, given its higher potency and intoxicating effects. Its availability as a replacement for other drugs will continue to contribute to its increasing popularity as a party drug. As a result, GBL may gain additional popularity with traffickers given the high profit margin and that the process of converting GBL to GHB is simple and does not require complex laboratory equipment. will continue to be the most prevalent smuggling methods However, larger quantities will likely be transported via

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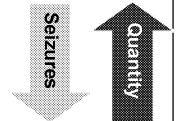
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DRUG ANALYSIS REPORT (DAR)
 INTELLIGENCE ANALYSIS SECTION
 2015 (JANUARY TO DECEMBER)

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ANABOLIC STEROIDS

Schedule IV substance under the CDSA



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2015 Main Transit Points	2014 Main Transit Points	2014
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Total: 1,505 [194kg / 210,501d]							Total: 1,751 [180kg / 222,176d]		
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ANALYSIS

Analysis

Anabolic steroids seizures have dropped by 14% since 2014 while quantities seized in kilograms have increased by 8%. regions reported decreases in seizure numbers except Steroids are the third most frequently seized illicit substance by the CBSA. In most cases, anabolic steroids are seized in

Supply and Demand Factors

Most illicit steroids are smuggled to Canada from abroad. In some instances, persons purchase different ingredients and chemical components on the internet and produce the steroids in their homes. Steroids are also illegally diverted from legitimate sources. The Internet is the most widely used means of buying and selling anabolic steroids as well as for buying the material required for steroids production. These drugs are popular in the bodybuilding community, where the culture of muscle growth is valued. According to academic studies, anabolic steroids have a significant market in teenagers who are driven by image insecurities or sports aspirations to consume the substances that are advertised as performance enhancing.

Forecast

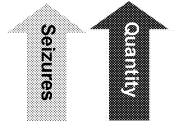
Steroid seizures will likely remain on par with 2015. Since 2010, seizure numbers have fluctuated, with peak years in 2010 and 2013 but decreases otherwise. Anabolic steroids have a stable consumer market that shows no signs of diminishing. Furthermore, under the CDSA, importation for personal use does not carry a penalty of imprisonment which might incentivize individuals to risk the importation of ingredients for fabrication at home.

DRUG ANALYSIS REPORT (DAR)
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METHYLENEDIOXYMETHAMPHETAMINE (MDMA)

Schedule I substance under the CDSA



2015 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG/Dosage)	2015 Main Transit Points	2014 Main Transit Points	2014
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Total: 134 [<1kg / 4,493d]						Total: 64 [<1kg / 732d]	
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ANALYSIS

Analysis

In 2015, the number of seizures and the quantities of MDMA smuggled to Canada increased by 109% and 513% respectively compared to 2014. reported an increase in seizure numbers while reported a decline. Quantities seized tend to be for personal consumption. Throughout 2015, smuggling activities targeting Canada from have increased significantly, where MDMA is produced in laboratories for the sole purpose of trafficking and sent to Canada and other locations

Supply and Demand Factors

Canada is known as a source country for MDMA destined for continued involvement of organized crime in large and sophisticated domestic production operations. Significant quantities of MDMA are seized by Canadian law enforcement from domestic laboratories, indicating the organized crime groups are often active in cross-border smuggling of large quantities of MDMA between Canada and as well as in the importation of precursor chemicals from source countries such as

Forecast

In 2016, the quantity of MDMA smuggled into Canada is expected to remain on par with 2015 or decrease due to high domestic production. Seizure numbers are expected to decrease based on seizure data since 2010; however, 2015 was an unusual year for higher than average seizures. is expected to continue as a significant origin point for MDMA seizures in Canada. Despite its illegal status in this country, possession of small amounts for personal use is ignored and generally not prosecuted; pill making technology as well as chemicals required to produce MDMA are easily accessed.



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2016 (JANUARY TO DECEMBER)

**Current Intelligence and Analysis Section,
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DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

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DRUG ANALYSIS REPORT (DAR)
 CURRENT INTELLIGENCE AND ANALYSIS SECTION
 2016 (JANUARY TO DECEMBER)

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Drug Analysis Report (DAR)

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Modes

Air (P): air traveller/passenger stream at Canadian international airports.
 Air (C): commercial courier parcels and other types of commercial aircraft.
 Land (P) refers to land traveller mode in private vehicles.
 Land (C) means seizures in commercial vehicles.
 Postal mode includes all seizures in mail other than commercial couriers.
 Marine mode includes cargo containers and small private boats.
 Rail mode includes passenger and commercial trains.

Regions

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Other Terms

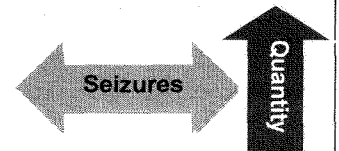
Canadian Centre on Substance Abuse (CCSA)
Controlled Drugs and Substances Act (CDSA)
 Centre for Addiction and Mental Health (CAMH)
 Port of Entry (POE)
 United Nations Office on Drugs and Crime (UNODC)
 New Psychoactive Substances (NPS)
 Amphetamine Type Substances (ATS)

1. Information for this report was retrieved from the Integrated Customs Enforcement System (ICES) for the period of January 1st, 2016 to December 31st, 2016. Data was pulled over the period of January 4th to the 15th, 2017. Subsequent changes to 2016 data in the system were not captured.
2. For the purposes of this report, countries found in the "Transit" category may also be origin countries in some instances. The lists are based on ICES point of origin.
3. Residue seizures were not counted towards total numbers.
4. Modes were determined based on the POE. For POEs where the mode was unclear, closer analysis was done in order to determine in which mode the narcotics were seized.
5. Air commercial mode includes courier parcels as well as other commercial cargo, including all seizures listed under the "Cargo" section of airports in ICES.
6. Outbound drug seizures are included in total numbers and referred to as "exports".
7. Methamphetamine numbers include methamphetamine seized in powder and crystal form.
8. All original units of measure are referenced as reported in ICES.
9. Reporting on fentanyl precursors was done in grams on the precursor page due to the fact that only small quantities are required to manufacture the narcotic as opposed to other drugs that require much higher precursor quantities.
10. This report uses the NPS definition as set out by the UNODC. The term NPS does not refer to substances, which are not necessarily "new", but to substances that may pose a public health threat that are not controlled by the 1961 Single Convention on Narcotic Drugs or the 1971 Convention on Psychotropic Substances.

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OPIUM

Schedule I substance under the *Controlled Drugs and Substances Act* (CDSA)



2016 (JANUARY TO DECEMBER)	TOP 3 PORTS OF ENTRY		Main Transit Points		2015
	# Seizures	Kg	2016	2015	
Total: 132 [363 kg] Exports: 0					Total: 133 [262 kg] Exports: 0

ANALYSIS

Analysis

The number of opium seizures has remained on par with 2015 while quantities seized have increased by 38%, which is mainly due to a single unusually large 94 kg marine mode seizure in [redacted]. Opium is most frequently seized in [redacted]; however, seizures continue in [redacted] mode, in both the traveller and commercial streams. Similarly to 2015, a low number of large (+10 kg) seizures account for the majority of quantities seized throughout the year and were most often seized in [redacted] or [redacted]. The concealment method involving [redacted] to smuggle substantial quantities of drugs continued in 2016. Opium seizures account for over 30% of CBSA seizures of drugs in [redacted]. The use of [redacted] to transport drugs is not associated to a particular criminal organization but rather exploited by different criminal networks and organized crime groups involved in the illicit importation of drugs. For opium, many of these traffickers are located in [redacted]. In the [redacted] and [redacted] officers generally encountered opium as round black spheres, declared on both [redacted] and by [redacted] which is popular in [redacted] and allegedly alleviates health issues such as arthritis.

Supply and Demand Factors

and, to a lesser extent, are longstanding transit points of, opium. While I farmers continue to grow opium poppies, / remains the world's largest grower of the poppy plant which serves as the base for the production of opium. According to the UNODC, opium cultivation has increased by 10% in 2016 largely due to a reduction of eradication efforts as a result of the deteriorating security situation. Moreover, favorable climate conditions and high quality poppy crops have resulted in an increase in opium yields per hectare. This second factor likely persuaded farmers away from legitimate crops and to poppy farming due to increased profit margins. The consumer market for raw opium in Canada is not considered significant as the domestic appetite leans heavily towards synthetic opioids due to their much higher potency and wider availability. Opium consumer groups are believed to predominantly comprise of individuals from the geographical areas that produce and export opium:

Forecast

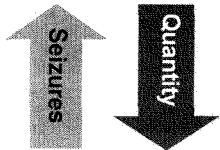
Opium consumption in Canada is not expected to significantly increase over the next year. However, the popularity of opium will likely continue among current consumer groups. CBSA officers are likely to continue seizing opium in 1 [redacted] from their home countries as well as in [redacted] from the same regions. CBSA officers are also likely to continue seizing low numbers of sizeable opium shipments inside [redacted] and [redacted] given this has been an ongoing trend since 2012, particularly in cargo from [redacted] and the [redacted]

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

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HEROIN

Schedule I substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Kg)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 246 [194 kg] Exports: 70 [<1 kg]					Total: 168 [212 kg] Exports: 11 [<1 kg]

ANALYSIS

Analysis
Over 2016, heroin seizures have increased by 46%, which is largely as a result of a rise in outbound postal seizures. The pronounced export increase is driven by strategic roving activities at CBSA, particularly in . The largest quantities of heroin continue to be seized in the concealed in false lining of suitcases. Substantial quantities are also seized inside and . Heroin in packages from is frequently concealed in the false containing objects such as or while heroin seized arriving from is often discovered inside various . The majority of packages in 2016 were intended for residential addresses in the . Officers most commonly describe heroin from and as a brown powder, whereas in seizures from countries, the powder is more likely beige or off-white. Export seizures involved ; averaging less than one gram addressed to various countries including the and . Export , while low in quantity, often contained equally small amounts of other narcotics such as methamphetamine, MDMA, LSD and ketamine.

Supply and Demand Factors
While cartels supply mostly heroin to the market, heroin continues to dominate the Canadian market. According to the UNODC, organized crime groups have been spreading and strengthening, which has resulted in an increased flow of drugs and weapons through the continent towards and . The observed increase in 2016 of opium crops may also result in increased heroin production over 2017; however, CBSA seizures will likely not reflect these trends immediately. The DEA estimates that the number of heroin addicts is on the rise in the ; however, in Canada there is insufficient data to determine if such a trend is occurring, particularly as governmental health efforts are focused on addressing the public health crisis fuelled by the consumption of synthetic opioids, namely fentanyl. As of fall 2016, public policy initiatives in Canada aiming to curb synthetic opioid addiction rates and overdose deaths now involve the prescription of pharmaceutical grade heroin. If such initiatives are not coupled with increased resources to assist in curbing addiction to any form of opiate or opioid, users may shift their patterns of use towards heroin as it is perceived as less harmful.

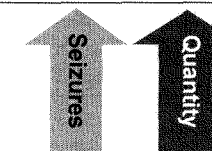
Forecast
Heroin is increasingly transiting countries, and subsequently distributed throughout Canada by local organized crime groups. In 2016, and to a lesser extent I and were the top transit countries in . This trend is expected to continue in 2017, I and will likely remain significant transit points.

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

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FENTANYL

Schedule I substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Kg)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 97 [32 kg/1 d] Exports: 1 [<1 kg]					Total: 41 [8 kg/1,319 d] Exports: 2 [1,132 d]

ANALYSIS

Analysis

The number of fentanyl seizures more than doubled in 2016 compared to 2015. The most pronounced increase occurred in the _____ mode with total quantities seized rising by 300%. The CBSA Laboratory identified a variety of different types of fentanyl in the powders submitted by officers for analysis, including furanylfentanyl (most commonly encountered), butyrylfentanyl and carfentanil (the most potent fentanyl analogue encountered so far). _____ and _____ continue to be the main source countries accounting for over 90% of seizures and quantities. _____ containing less than half a gram of fentanyl have also been seized in shipments from the _____ and the _____. Fentanyl in patch form is most likely to be encountered in _____ modes without the required prescription. Fentanyl is mainly found in _____ declared as a variety of legitimate goods including _____ or _____. In a few cases, other synthetic opioids, such as U-47700, were encountered in the same shipments as fentanyl.

Supply and Demand Factors

The consumption of fentanyl has increased in both its pill and powder form over 2016. The provincial government of _____ has declared a public health emergency due to extremely high overdose rates. The fentanyl consumer base is comprised of both new users as well as individuals addicted to other opiates such as heroin. Some have tried the synthetic version due to the stronger "high" it produces while others consume heroin laced with fentanyl, whether knowingly or unknowingly. Despite targeted law enforcement efforts, fentanyl remains widely available both in Canada and abroad. The _____ as well as the _____ requiring special software to access that increases anonymity) offer numerous opportunities for consumers to purchase fentanyl and its analogues. Legislative initiatives aimed at curtailing the supply of fentanyl analogues and precursors continue. In fall 2016, the Canadian government passed legislation regulating the six remaining known fentanyl precursor chemicals that were not previously included in the CDSA. According to the _____ play a significant role in the current worldwide fentanyl crisis. While there have been no direct fentanyl seizures from _____ to Canada as of yet, it is possible that over the next five years _____ heroin laced with fentanyl will enter the Canadian drug market. _____ are known to combine heroin with fentanyl, as indicated by the wide territorial expansion of _____ throughout North America, and encounters of heroin laced with fentanyl in the north eastern _____ market.

Forecast

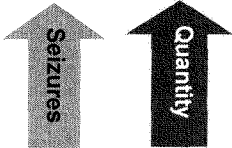
Due to the Canadian government's regulation of fentanyl precursors, officers are more likely to seize fentanyl in its completed formula as opposed to its precursors. The likelihood of interception is higher for multiple shipments of chemicals, jeopardizing production of the final substance for traffickers. Also, the costs of setting up and operating laboratories are high, making the import of the finished product more desirable for smugglers. Given the CBSA's ongoing focus on _____ with suspected powders from _____ and _____ and continued increase in domestic consumer demand, fentanyl seizures are likely to increase over 2017.

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

PROTECTED A

COCAINE

Schedule I substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Kg)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 651 [2,453 kg] Exports: 333 [20 kg]			Total: 303 [1,157 kg] Exports: 35 [<1 kg]		

ANALYSIS

Analysis
In 2016, cocaine seizures and quantities have increased, primarily due to a high number of low quantity (<1 gram/average) as well as a small number of sizeable seizures. Inbound seizure numbers are on par with 2015. CBSA officers seized a higher number of large scale cocaine seizures (+50 kg) than in 2015, many as a result of intelligence referrals. The pronounced quantity increases in CBSA regions are primarily a result of unusually large seizures. Larger quantities of cocaine are being smuggled to Canada through the corridor in 2016; seizures rose by 10% and quantities by 56% compared to 2015. Similarly to 2015, the is the largest single exporter of cocaine to Canada. The quantity of cocaine smuggled through the to Canada was more than four times higher in 2016 than 2015 (643 kg in 2016). The majority of cocaine transiting the was seized at the land border, particularly from commercial tractor trailers from and are known to use their extensive transportation networks to shepherd cocaine northbound from through territory, to the and to Canada. The substantial increase in land border seizures from the (+81% seizures; +333% quantities) is indicative of the efficiency of border enforcement projects such as as well as a further strengthening of trafficking logistics across the

Supply and Demand Factors
According to the UNODC, coca leaf cultivation in the three main producing countries has been on the rise while the cocaine supply to Canada and the is considered lower than the years prior to 2015. The impact on cocaine production of the peace deal between the group that controls the majority of narcotic production in and Despite an agreement that the forces would cease their involvement in cocaine production and trafficking, the cocaine industry is unlikely to cease. The UNODC reports that as of July 2016 coca crops have increased by 40% compared to 2015. The stepping out of the cocaine business may create a power vacuum within the other criminal groups in the country who may look to take over, given the potential for enormous profits. The possibility also exists that not all fighting blocs will agree to removing themselves from the cocaine industry. are the main transporters of cocaine to the U.S. In 2016 seizures at the Canada-U.S. border suggest their increased involvement in smuggling to Canada particularly in Cocaine consumption rates in Canada are estimated to be stable at around one percent of the population.

Forecast
The two most significant streams for cocaine smuggling into Canada will likely continue to involve Large quantities of cocaine will continue to be smuggled through both, as traffickers exploit volumes at Canada's ports as well as less scrutiny at small, often unmanned, airports that rely on telephone reporting. The lifting of the temporary resident visa for citizens will make it easier for individuals associated with to travel to Canada to establish or further strengthen criminal networks as it removes a layer of overseas verification. The will likely continue as a key transit point for cocaine shipments.

Schedule I substance under the CDSA

2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Kg)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 211[40 kg/1999 d] Exports: 26 [<1 kg/543 d]					Total: 259 [92kg / 3,696d.] Exports: 22 [416d]

Analysis

The number of amphetamine seizures continues to decrease year to year. This is likely the result that amphetamine is commonly consumed within the markets where it is produced. Furthermore, reports suggest that amphetamines are not as popular among Canadian consumers. Methamphetamine is the drug of choice due to a more pronounced and prolonged euphoric and energizing effects. The [redacted] and [redacted] continue as the main origin countries for inbound seizures and the majority of seizures continue to occur in the [redacted] and [redacted] modes. The average quantity seized is 20 grams and the largest single seizure weighed 10 kg in a [redacted] from [redacted]. Officers most commonly encounter amphetamine in [redacted] containing crystalline chunks and in powder form; however, CBSA officers also discovered over 3 kg of amphetamine concealed in [redacted] along with cocaine.

Supply and Demand Factors

According to the UNODC, amphetamine production and trafficking is normally regionally confined, however reports since 2015 suggest the possibility that the amphetamine markets in [redacted] as well as the largest amphetamine markets worldwide- are becoming increasingly interconnected. Most reports discuss trends regarding the broader Amphetamine-Type Substances (ATS) category as amphetamine is comprised of a variety of different chemicals. The UNODC also reports that the ATS market is becoming increasingly diversified, due in part to the proliferation of websites granting easier access to a wide range of chemicals required in the production of amphetamine. Due to its synthetic nature, amphetamine can be manufactured anywhere as it does not depend on natural ingredients such as coca leaves or poppies as is the case for cocaine and heroin. Most of the precursors and equipment required in the production of amphetamine can be purchased on the [redacted] or at [redacted] however the Centre for Addiction and Mental Health (CAMH) estimates that Canadians are most likely to consume prescription medication with effects similar to those provoked by amphetamine, such as Ritalin and Dexedrine. Users are most commonly individuals whose work requires prolonged periods without rest such as students and truck drivers.

Forecast

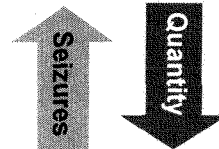
Given the decrease in amphetamine seizures and ongoing domestic production, in 2017, CBSA seizures will likely remain on par with 2016. Canadian consumers are expected to continue to prefer prescription medications that produce the same effects as amphetamine as they are perceived as less harmful and easy to obtain on the

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

PROTECTED A

HASHISH

Schedule II substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 813 [32 kg] Exports: 530 [8 kg]					Total: 173 [1,727 kg] Exports: 26 [<1 kg]

ANALYSIS

Analysis

While the number of inbound hashish seizures has nearly doubled, quantities seized have dropped considerably (-98%). This is a result of two unusually large seizures in and that took place in 2015 that accounted for almost all of the hashish seized that year. Transit routes to Canada were less varied in 2016 as the bulk of hashish was smuggled from the and in small quantities averaging less than a gram. Some of the more sophisticated concealment methods for both outbound and inbound seizures were most commonly seen in seizures over 500 grams and involved the drug disguised as , hidden inside and . While inbound hashish seizures were most frequently involved dark brown plant matter with a strong cannabis odor, export seizures were often of , which is a concentrated hashish oil substance resembling

Supply and Demand Factors

and continue to rank as some of the top hashish producers in the world. The large number of export seizures which account for 65% of total hashish seizures, indicates ongoing domestic production. Cannabis, which includes hashish and marihuana, is the world's most largely cultivated and consumed illicit drug. There are several challenges to accurate measurement of supply and demand for cannabis products. Unlike fields of opium poppies that are located primarily outdoors and and measurement of crops and potential yield, the cannabis plant is extensively grown indoors inside homes and greenhouses which significantly hinders estimates of production. Growers use the cannabis plant to extract hashish, which is a psychoactive component of the plant, by compressing the resin glands of the female cannabis plant. This process can be undertaken anywhere around the world, much like the cultivation of the cannabis plant. Therefore it is assessed that the hashish supply to Canada is largely domestic. The consumer base is difficult to determine, however CAMH estimates that consumer rates of cannabis products are at approximately 24% of the population among youth (15-24) and 8% in adults over 25. Hash oil and other cannabis concentrates are often consumed in e-cigarettes or vaporizers. Consumption rates will likely increase with the upcoming legalization of cannabis products by the Canadian government.

Forecast

Given the ongoing domestic production and the stable hashish consumption rates in Canada, it is unlikely that the CBSA will witness a significant increase in inbound hashish seizures. Export seizures are expected to continue at similar levels as throughout 2016. Given the sporadic nature of large scale hashish seizures, intelligence referrals may lead to a spike in inbound quantities seized in 2017. The legalization of marihuana will impact hashish seizures and domestic consumption is likely to increase as a result of the lessening of negative criminal consequences associated with the narcotic.

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

PROTECTED A

METHYLENEDIOXYMETHAMPHETAMINE (MDMA)

Schedule IV substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (Kg)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 368 [5kg/2589d] Exports: 206 [3kg/407d]			Total: 134 [<1kg / 4,493d] Exports: 9 [1kg/32d]		

ANALYSIS

Analysis
The number of inbound MDMA seizures has increased (+20%) with quantities seized remaining stable. Export seizures accounted for more than half of overall seizure numbers and quantities seized. As was the case in 2015, the [redacted] and the [redacted] are the only notable origin countries for MDMA seized in Canada. Outbound seizures were mostly in [redacted] including the [redacted] and [redacted] Officers encountered MDMA in a variety of forms, including coloured rocks/crystals (brown or grey), beige/brown powder or pills in [redacted]. Quantities seized are generally small, averaging less than one gram and concealment methods tend to be unsophisticated.

Supply and Demand Factors
Inbound seizures continue to be predominantly from the [redacted] and the [redacted]. The lack of diversity in the supply chain is likely a result of ongoing domestic production of MDMA. The UNODC estimates that [redacted] and [redacted] produce most of the world's MDMA, while the largest user market is located in [redacted] and [redacted] as well as [redacted]. Since 2015, health care treatment reports and law enforcement seizures across the world have indicated increasing trends of MDMA consumption. The [redacted] also estimates that for most countries, MDMA produced domestically is largely intended for supplying the domestic market. Due to its synthetic nature, MDMA can be produced anywhere in the world, in personal homes as well as large scale laboratories. Reporting suggests that most MDMA is trafficked over the [redacted] given the ease of ordering with near anonymity. MDMA pills are light in weight, making it easy for traffickers to place in [redacted] and [redacted] them without much risk. Canadian governmental estimates place the MDMA user base at less than one percent of the total population. Teenagers and young adults are known to use this drug particularly in the summer months, given a higher number of music events and festivals.

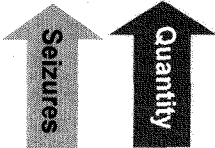
Forecast
In 2017, inbound MDMA seizures are expected to remain on par with 2016 and export seizures will likely continue at similar levels. There is no indication that the MDMA user market is increasing, and part of the domestic production will likely continue to be exported to other countries.

DRUG ANALYSIS REPORT (DAR)
CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

PROTECTED A

MARIHUANA

Schedule VI substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2016 Main Transit Points	2015 Main Transit Points	2015
Total: 8,428 [685 kg] Exports: 5,012 [364 kg]					Total: 3601 [156kg] Exports: 497 [37kg]

ANALYSIS

Analysis
Marihuana seizures more than doubled in 2016 over 2015, however this is a result of export seizures, primarily at [redacted] and [redacted] that accounted for more than 60% of total seizure numbers and 53% quantities seized, as inbound numbers remained stable. Officers continue to seize small quantities of marihuana, as 97% of seizures in 2016 were under 200 grams. The largest marihuana seizure of 2016, of 128kg was not intended for consumption within Canada. The shipment was in transit from the [redacted] and was addressed to the [redacted] In [redacted] and [redacted] both inbound and outbound, marihuana was commonly declared as [redacted]

Supply and Demand Factors
Marihuana continues as the most widely available and commonly used narcotic within Canada as well as the [redacted] Despite legalization or decriminalization in several [redacted] states since 2014, the full impacts of this significant change in legislation for consumption as well as law enforcement are yet unclear. However, the DEA reports that certain developments have occurred since legalization, including increases in domestic production of marihuana, rise in seizures of different marihuana concentrates, more demand for higher quality product and increased numbers of extraction laboratories of THC (Tetrahydrocannabinol) which is the psychoactive component of the cannabis plant. According to the DEA, foreign produced marihuana has been on the decline since 2010 in the [redacted] Most marihuana consumed in Canada is also believed to be domestically grown by organized crime groups, private individuals as well as those with licenses to grow who choose to grow more than the permitted amount for profit. In fall of 2016, law enforcement seized 4,000 marihuana plants from a Health Canada licensed grow-op in one of the largest- however not isolated- incidents of licensed growers "over-producing" on the black market for financial gain.

Forecast
Marihuana has been cultivated in Canada for years despite illegality of doing so, and legalization by the government will likely encourage higher rates of consumption and increases in production given that the threat of legal repercussions will be removed. The impacts at the border will be highly dependent on the ultimate governmental decisions on whether to also legalize import and export, or solely within Canada. Pending finalizations of such discussions, if the strategic [redacted] roving activities continue, export seizures will likely continue to account for the majority of marihuana seizures, as inbound trends are not expected to change.

Schedule IV substance under the CDSA

ANALYSIS

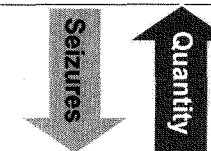
Khat seizures are expected to remain on par with 2016 and are most likely to continue to be seized from [redacted] and [redacted] given the need for traffickers to choose the quickest smuggling mode given the short shelf life of the plant. Given that khat is not widely popular outside the Canadian [redacted] diaspora and it does not have very powerful psychoactive effects, khat seizures will likely not considerably increase. Sporadic large scale seizures will also likely continue as a result of the low price of khat and large quantities that smugglers need to successfully ship in order to ensure profit.

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2016 (JANUARY TO DECEMBER)

PROTECTED A

ANABOLIC STEROIDS

Schedule IV substance under the CDSA



2016	TOP 3 PORTS OF ENTRY (# Seizures)	TOP 3 PORTS OF ENTRY (KG)	2016 Main Transit Points	2015 Main Transit Points	2015
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Total: 1118 [822kg/124250d]
Exports: 27 [4kg/6759d]

Total: 1,505 [194 kg /
210,501 d]
Exports: 37 [<1 kg/2249 d]

ANALYSIS

Analysis
The quantity of steroids seized rose significantly in 2016 due to three unusually large seizures - two in (48kg) and one in weighing (108kg and 465kg)- in shipments from Discounting the three unusually large seizures, The quantity of steroids seized has remained on par with 2015. CBSA officers continue to seize steroids in various forms, including and Steroid shipments were generally declared as unregulated chemicals, including cellulose and calcium carbonate. Similarly to 2015, the largest quantities of steroids continue to be smuggled in all modes. Concealment methods range from the unsophisticated, packaged in , more sophisticated concealment in the form of

Supply and Demand Factors

Steroids are produced and consumed worldwide. The bodybuilding and fitness community is the primary consumer base for steroids, particularly during fitness competitions which take place worldwide. Individuals tend to view steroids as relatively harmless drugs, compared to hard drugs such as cocaine and heroin. Given their performance enhancing abilities as well as perceived low degree of harm associated with use, steroids have a strong and ongoing consumer base.

Forecast

The sharp increase in steroid quantities seized resulting from the three very large seizures does not necessarily indicate a prolonged and sustained upwards trend in steroid seizures. Such low numbers of highly significant seizures have occurred sporadically since 2010, which is likely the result of the relatively low cost of steroids (i.e. 30\$ per 200 tabs package) which means that traffickers must successfully obtain large amounts in order to secure desirable profits. Users will likely continue to source steroids on the and send them to Canada in the and , given ease of ordering and the relatively low penalties associated with importing these substances. Seizure numbers will likely continue to rank high for overall CBSA seizures as has been the case since 2010, generally ranking second or third after marihuana seizures.

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2016 (JANUARY TO DECEMBER)

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PRECURSOR CHEMICALS

Schedule VI substance under the CDSA

Seizures

2016	DRUGS MANUFACTURED WITH THE PRECURSORS SEIZED	2015
	<div><div>Methamphetamine/Amphetamine:<ul style="list-style-type: none">EphedrinePseudoephedrineHypophosphorous acidRed phosphorus</div><div>Cocaine<ul style="list-style-type: none">Potassium permanganate</div><div>GHB<ul style="list-style-type: none">Gamma butyrolactone (GBL)1,4-butanediol (BDO)</div><div>Heroin<ul style="list-style-type: none">Acetic anhydride</div></div> <div><div>LSD<ul style="list-style-type: none">Lysergic Acid</div><div>Pencyclidine<ul style="list-style-type: none">Piperidine</div><div>Fentanyl<ul style="list-style-type: none">4-anilino-N-phenethyl-piperidine (ANPP)N-Phenethyl-4-piperidinone (NPP)4-Piperidone</div></div>	

ANALYSIS

Analysis
Traffickers in Canada import a variety of precursor chemicals while they primarily export ephedrine, which is one of the main precursors used in the production of methamphetamine. In 2016, CBSA officers seized a number of substantial shipments of precursors for methamphetamine, amphetamine, GHB, fentanyl as well as smaller shipments of precursors for cocaine and MDMA. Simply put, precursors are “ingredients” in the manufacture of narcotics. and are the most significant source countries of precursors to Canada. Most large scale imports occur in and while a high number of low quantity exports of ephedrine pills are found in were frequently declared as unregulated substances that are widely used by and manufacturers such as precursor declarations included

Supply and Demand Factors
Governments across the globe face similar challenges in regulating and stemming the flow of precursors. Diversion from legitimate domestic and international distribution channels continues to be a significant problem. Other key ongoing issues are the off-the-shelf availability of many precursor chemicals and pharmaceuticals; evolving drug smuggling tactics; and the substitution of regulated chemicals for unregulated substances. Oftentimes, illicit manufacturers move one or several steps back in the production process by sourcing “pre-precursors” once governments regulate a certain precursor. Canadian organized crime groups are likely behind the majority of significant CBSA precursor seizures over the years as they require large amounts to ensure profitable narcotics production and they have the capability to import, store and use such significant quantities. Organized crime involvement is most pronounced in the where proximity to the trade industry creates ample opportunities for the importation of precursors given trade volumes. Domestic demand may also be on the rise, as reports indicate an upward trend in consumption and the number of clandestine laboratories is estimated at 980. The significant quantity of methamphetamine precursors seized by the CBSA suggests there is large scale production in Canada. Canada is known to export methamphetamine to countries such as the and the , and over 70% of CBSA seizures of methamphetamine in 2016 are exports.

Forecast
Canada will likely continue to be targeted for trafficking of methamphetamine precursors, given estimates that traffickers export more than half of domestically manufactured methamphetamine and amphetamine. Criminal networks will likely continue targeting Canada's ports, particularly its , for the smuggling of large quantities of precursors directly from given the high trade volumes. particularly on the Canadian West Coast. As governments worldwide increasingly regulate substances, traffickers in Canada will likely increasingly import unregulated substances as well as export chemicals that can be

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CURRENT INTELLIGENCE AND ANALYSIS SECTION
2016 (JANUARY TO DECEMBER)

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OTHER CONTROLLED DRUGS					Seizures
2016	Main substance categories classified under "Other"		Main Transit Points	2015	
Total: 4,866 Exports: 2,187			Prescription medication/Supplements - Ephedrine - Benzodiazepines - Cutting agents for narcotics New Psychoactive Substances (NPS) - Synthetic cannabinoids - Harmaline - N-Dimethyltryptamine (DMT) Cannabis products: - Cannabidiol - Shatter Tobacco products: - Liquid nicotine	Total:1080 Exports: 130	
	ANALYSIS				
<p>Analysis</p> <p>Substances seized by CBSA officers in the "Other Controlled Drugs" ICES category highlight the extent of illicit importation of prescription medications such as benzodiazepines. Export shipments, which constitute mainly of ephedrine account for 44% of seizure numbers. Generally, prescription medications seized in the and are likely intended for recreational use or trafficking while those seized in the and are often erroneously imported without the required prescriptions Other substances classified in this category are New Psychoactive Substances (NPS) which include plant-based substances (i.e. harmaline, a psychoactive plant from , synthetic cannabinoids (with effects similar to cannabis however with no natural ingredients, such as K2 and Spice), synthetic cathinones (i.e. psychoactive crystals known as "bath salts" that can produce violent behaviour in users). More than half of other controlled substances were seized in the mode. While NPS do not account for a high percentage of seizures, they are of particular concern as the NPS market is the most rapidly evolving illicit drug market. NPS mimic the effects of traditional illicit drugs such as ecstasy, cocaine or cannabis and producers frequently modify the chemical composition of NPS to circumvent drug regulations. While points of origin spanned nearly all continents, the top source countries were the l and the . A notable substance with legitimate pharmaceutical uses classified under "Other" is phenacetin, which is a primary cutting agent for cocaine. In 2016, CBSA officers seized 1,379 kg of phenacetin. This substance can be purchased for as low as \$70 a kilogram, combined with cocaine and sold as pure cocaine for \$52,000 a kilogram. The amount seized by CBSA officers can generate as much as \$95 million in profits for groups that traffic cocaine.</p> <p>Supply and Demand Factors</p> <p>According to the Canadian Centre on Substance Abuse (CCSA), Canada has one of the highest levels of prescription opioid use globally. Benzodiazepines and opioids are among the most frequently abused classes of psychoactive drugs in the world, including natural opiates such as codeine and morphine and semi-synthetic opioids such as oxycodone. The rise of NPS has also led to the abuse of benzodiazepines in combination with synthetic drugs given their effect of enhancing and prolonging the "high" as well as to alleviate withdrawal symptoms. Over the last several years, NPS have emerged as the substances posing the greatest challenges to law enforcement as well as a significant danger to public health. NPS are designed to mimic the effects of established illicit drugs including cannabis, cocaine or ecstasy and are sold in a variety of forms including powder, crystals, capsules or blotter tabs. These substances are found on the illicit drug markets under names such as "legal highs" and "designer drugs". NPS are particularly popular with teenagers and young adults given their primary purpose as party drugs. Users often are unaware of specific chemical composition and the potency or side effects of substances purchased online. As a result, NPS users have been hospitalized with severe intoxications.</p> <p>Forecast</p> <p>Seizures of prescription medication, particularly benzodiazepines and opiates will likely continue due to the ongoing domestic appetite for prescription medications. and will likely continue to be significant source countries given more lenient drug regulations in their chemical and pharmaceutical industries. NPS seizures are likely to continue at similar levels, given the continued rise in popularity of the substances, ease of purchase on the l and their wide availability on the markets and in l</p>					

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** The Notes page includes abbreviations, time periods and additional information regarding the methodology.



OPIUM

• Schedule I substance under the Controlled Drugs and Substances Act (CDSA)

FORECAST 2018



2017			TOP 3 POES			MAIN TRANSIT POINTS		2016		
BY MODE QUANTITY [# of SEIZURES]	kg	# of SEIZURES	kg	# of SEIZURES		2017	2016	BY MODE QUANTITY [# of SEIZURES]	kg	# of SEIZURES

Total:	307 kg [89]							Total:	363 kg [132]	
Exports:	<1 kg [6]							Exports:	0	

ANALYSIS

ANALYSIS:
 In 2017, opium quantities seized decreased (-15%) compared to 2016. This reduction is partly attributed to a drop in quantities seized (-43%) – a top transit country - relative to 2016. State Department reports indicate that These initiatives partly explain the reduced activity.
 Furthermore, in 2017 officers seized larger quantities of opium relative to 2016, a key opium transit point to Canada, however opium seizure quantities fluctuate annually. opium and heroin trafficking – According to the UNODC, seizures reported have declined since 2015, however it remains the most prominent opium and heroin trafficking route. Officers also seized 16 kg of opium.
 The UNODC reports that has emerged as an alternative route from and further. The largest opium seizure in 2017 was a 98 kg. Officers have intercepted a large (45 kg+)
 opium shipment once a year since 2015.

SUPPLY AND DEMAND FACTORS:

According to the UNODC, opium poppy cultivation hit a record high in 2017, with the total area under opium poppy cultivation rising 63% compared to 2016. These figures indicate an 87% increase in the estimated potential opium production from 2016 levels. The increased poppy cultivation will likely impact the Canadian market as the vast majority of opium in Canada is sourced from The area under opium poppy cultivation expanded to new provinces and intensified in existing opium cultivating provinces, with the largest expansion occurring with heroin. It is unlikely that such groups will try to push opium into the Canadian market, as such groups reportedly export and distribute heroin as opposed to opium. While recent statistics on opium consumption in Canada are scarce, the UNODC reports that the global opium market remains largely stable.

FORECAST:

Opium quantities seized will likely increase in 2018, based on the increased supply opium. expected to remain top opium transit points, however the quantity of seizures will likely continue to decrease enhances its counter-narcotics initiatives. With regard to officers will likely seize at least one large opium consignment from the country based on recent trends and the increased supply of opium. It is plausible that seizures will increase and possibly emerge from other non-traditional transit routes, as heroin and opium seizures decline of opium and heroin trafficking.

HEROIN									
• Schedule I substance under the CDSA									
FORECAST 2018									
2017		BY REGION		TOP 3 POES		MAIN TRANSIT POINTS		2016	
BY MODE QUANTITY (# of SEIZURES)	kg	# of SEIZURES		kg	# of SEIZURES	2017	2016	BY MODE QUANTITY (# of SEIZURES)	BY REGION
									# of SEIZURES
<div> <div> <div>Total: 158 kg [129]</div> <div>Exports: 4 kg [31]</div> </div> <div> <div>Total: 194 kg [246]</div> <div>Exports: <1 kg [70]</div> </div> </div>									
ANALYSIS									
<p>ANALYSIS:</p> <p>In 2017, heroin quantities seized (~18%) decreased relative to 2016. Heroin quantities seized have steadily declined since 2014, which coincides with the rise of the opioid crisis in Canada. Most of the top heroin transit points to Canada are situated in the United States, and is sent to target destinations in the United States. The UNODC contends that traffickers started shifting heroin landing points to the United States, while traffickers can transport heroin in the United States. In December 2017, officers intercepted 9 kg of heroin. Trafficking route for heroin – likely sourced from the United States – during the busy holiday season. While the Canadian market is dominated by the United States, this seizure could indicate a growing transit point, increased. All shipments were seized in the United States.</p> <p>SUPPLY AND DEMAND FACTORS:</p> <p>Opium poppy cultivation rose in 2017, the amount of opium refined into heroin and morphine reportedly increased. Authorities have uncovered more heroin processing labs, while seizing more heroin precursor imports and exports of processed heroin and morphine. These factors likely signal an impending increase in the global supply of heroin. Furthermore, increases in OCGs illicit poppy cultivation and processing into heroin could impact the Canadian heroin market in 2018 and 2019. While heroin primarily supplies OCGs could try to push heroin into the Canadian market via well-established cocaine routes. According to Health Canada, in the 3rd quarter of 2017, 62% of heroin samples analyzed contained fentanyl or an analogue. Given that fentanyl and heroin arrive in Canada from different countries, fentanyl is likely being mixed with heroin during the milling process in Canada. Overdose deaths from heroin laced with fentanyl have also risen across Canada. Users are mixing both narcotics together. In other cases, traffickers are cutting heroin with fentanyl to reduce costs, given that fentanyl is a cheaper and more potent alternative. These factors signal a reduction in the amount of heroin imported.</p> <p>FORECAST:</p> <p>While the global supply of heroin is expected to rise, heroin quantities seized in Canada will likely remain stable. Traffickers will likely continue to lace heroin with fentanyl, to reduce costs by using less heroin while satisfying consumer demand. The number of seizures and quantities seized will likely increase. Heroin would likely arrive in Canada. Traffickers expand their operations. It is plausible that OCGs could try to push heroin into the Canadian market via cocaine routes.</p>									

FENTANYL

• Schedule I substance under the CDSA

FORECAST 2018



2017				TOP 3 POES			MAIN TRANSIT POINTS		2016		
BY MODE QUANTITY [# of SEIZURES]	BY REGION		# of SEIZURES	g	# of SEIZURES		2017	2016	BY MODE QUANTITY [# of SEIZURES]	BY REGION	
	g									g	# of SEIZURES
Total:	11,952 g / >683 d [113]								Total:	20,670 g / 193 d [106]	
Exports:	314 g / 100 d [27]								Exports:	0	

ANALYSIS

ANALYSIS:

The overall number of seizures remained stable in 2017; however, inbound seizures were down by 19% compared to 2016. The number of export seizures significantly increased in 2017 and generally contained very small quantities of fentanyl. strongly indicating the continued presence of Canadian online vendors. The quantity of powders seized decreased by half while the quantity of patches seized significantly increased in 2017 from 31 patches seized in 2016 to at least 500 patches, mainly from the In response to previous regulations of fentanyl analogues. continues as the main source of powder seizures. Nine new analogues were seized in 2017 and consisted of the bulk of seizures. The largest quantities (>200 g) seized were usually of non-controlled analogues but once the analogues became controlled, the quantity seized per shipment dropped considerably.

SUPPLY AND DEMAND FACTORS:

Importations of fentanyl allow individuals While most seizures will continue with the increased controls on fentanyl, could step in to fill any potential shortage of fentanyl in Canada. They play a significant role in the trafficking of fentanyl as serves as a transshipment point for fentanyl precursors and production site for powders. Although officers have yet to seize fentanyl powder, it is suspected that it is being smuggled in small quantities (<1 kg) smuggling of fentanyl products into Canada is suspected given the continued opioid crisis in the country, the decrease in import seizures, and the significant amounts that are being seized that likely exceed domestic demand.

FORECAST:

regulated the fentanyl precursors 4-ANPP and NPP on February 5, 2018, which will likely impact production of illicit fentanyl. The CBSA will likely see a temporary decrease in fentanyl seizures in the following three months as seen this year following new regulations on various analogues. It is likely that the diversion of non-scheduled chemicals will increase to produce new precursors or that traffickers will shift to using "pre-precursors" - unregulated chemicals along the drug production chain - to continue to create fentanyl. The CBSA has encountered a dozen cases of fentanyl precursors since 2010, indicating that traffickers mainly choose to smuggle fentanyl rather than synthesizing fentanyl from precursors in Canada. Nonetheless, the number and amount of fentanyl seizures are expected to remain stable given the continued domestic demand. However, due to increased controls on fentanyl and precursors could be a future transit point of fentanyl is a common shipping location of fentanyl regulatory standards enable the diversion of pharmaceuticals for illicit purposes, and the confirmed presence of fentanyl clandestine labs in adds an element to their already established important role in the international trafficking and distribution of drugs.

COCAINE

- Schedule I substance under the CDSA

FORECAST 2018



2017			TOP 3 POES		MAIN TRANSIT POINTS		2016		
BY MODE QUANTITY [# of SEIZURES]	kg	BY REGION # of SEIZURES	kg	# of SEIZURES	2017	2016	BY MODE QUANTITY [# of SEIZURES]	kg	BY REGION # of SEIZURES

Total: 2,732 kg [355]
Exports: 38 kg [57]

Total: 2,453 kg [651]
Exports: 20 kg [333]

ANALYSIS

ANALYSIS:
In 2017, cocaine quantities seized increased (+11%) relative to 2016. Officers intercepted the largest quantities of cocaine (372 kg), (1 seizure, 273 kg). Global reports of large marine seizures have increased, likely due to record high coca production routes into Canada continue to be used. In 2017, officers seized 8 large (20 kg+) shipments of cocaine. In 2017 the CBSA intercepted the largest quantities of cocaine directly from seizures cocaine arrives in Canada followed by seizures cocaine. Relative to 2016, quantities seized increased by over four times while the number of seizures increased by 82%. The top transit point of cocaine in the region, with quantities seized doubling relative to 2016, 2 seizures; 744 kg total) 1 seizure; seizures demonstrate that indirect smuggling with the largest while the highest number of seizures increased by 82%.

SUPPLY AND DEMAND FACTORS:

The area under illicit coca cultivation increased in (+52%), (+14%), (+9%) in 2017 compared to 2016. Surges in coca cultivation in particular have driven the overall increase in the global supply of cocaine.

FORECAST:

Given the high global supply of and demand for cocaine, it is very likely that cocaine quantities seized will continue to increase in 2018 in modes.

Traffickers are expected to continue transporting cocaine directly

METHAMPHETAMINE

• Schedule I substance under the CDSA

FORECAST 2018

2017			TOP 3 POES		MAIN TRANSIT POINTS		2016		
BY MODE QUANTITY [# of SEIZURES]	BY REGION kg / dosage	# of SEIZURES	kg / dosage	# of SEIZURES	2017	2016	BY MODE QUANTITY [# of SEIZURES]	BY REGION kg / dosage	# of SEIZURES

Total: 80 kg / 1,092 d [302]
 Exports: 31 kg / 803 d [120]

Total: 133 kg / 1,176 d [684]
 Exports: 29 kg / 175 d [535]

ANALYSIS

ANALYSIS:
 In 2017, methamphetamine (meth) quantities seized declined (-39% kg / -7% doses) compared to 2016. The majority of meth seizures and quantities seized continue to be intercepted with rising numbers of meth seizures. was the top transit point of meth to Canada based on a 39 kg seizure coming increased meth production and given the shipments departure whereby the majority of meth enters. Officers also intercepted 1.7 kg of meth - the second seizure on record where meth is reportedly synthesized from precursors imported from. Meth export quantities have remained stable, while the number of seizures decreased (-77%) in 2017 relative to 2016. Canada is considered a key transit point of meth. In 2017, the CBSA intercepted at least 6 export seizures of approximately 16 kg of meth (powder & crystal) mainly departing the. There are several records (5 seizures, over 7 kg) of outbound meth shipments. Organized criminal groups are likely involved in exporting meth to - a lucrative market where meth prices are estimated to be among the highest in the world, plus strong ongoing demand.

SUPPLY AND DEMAND FACTORS:

Open-source information suggests: OCG's produce meth with precursors imported from. There is reportedly an oversupply of meth based on the continued supply of low-cost, high-purity meth available and increased meth seizures at. Furthermore, the for Drugs and Drug Addiction indicates that there is evidence of meth production, however it is on a smaller scale than production of MDMA and amphetamines, as well as precursor conversion. The average size of a meth import from is quite small (80 g), likely indicating that it is for personal consumption. While data on domestic meth use is scarce and limited to due sampling variability, available information suggests that domestic meth use has remained stable over the past several years. The bi-yearly Canadian Tobacco, Alcohol, and Drugs Survey noted that 0.2% of the general Canadian population had used speed/meth/crystal meth in 2015, while 2.7% had used speed/ meth/ crystal meth at least once in their life. Similar numbers were observed in the 2013 survey with regard to use in the past year, however lifetime use was at 3% in 2013.

FORECAST:

It is likely that officers will intercept increasing quantities of meth from in 2018, based on the oversupply of meth, stable demand in Canada, and indirect transit routes, through, to Canada. These seizures will likely arrive via the mode. Traffickers will likely continue to send export shipments via modes.

AMPHETAMINE

• Schedule I substance under the CDSA

FORECAST 2018

2017			TOP 3 POES		MAIN TRANSIT POINTS		2016		
BY MODE QUANTITY [# of SEIZURES]	BY REGION	# of SEIZURES	kg / dosage	# of SEIZURES	2017	2016	BY MODE QUANTITY [# of SEIZURES]	BY REGION	# of SEIZURES
	kg / dosage							kg / dosage	
Total: 15 kg / 14,172 d [248]							Total: 40 kg/1,999 d [211]		
Exports: <1 kg / 401 d [50]							Export: <1kg/ 543 d [29]		

ANALYSIS

Amphetamine quantities seized have decreased significantly over the past year, with the majority of quantities seized predominantly due to an increase in this year's seizures continue this trend. Seizures large portion of seizures, but unlike seizures intercepted regulations or. The UNODC refers to 'as one of the most established amphetamine markets worldwide, and includes a top amphetamine and MDMA producing country in that region. The CBSA amphetamine seizures included misclassified designer drug, 4-fluoroamphetamine, also known on the street as 4-FA, 4-FMP, Fifa or flux. According to open source reporting, this compound is sold as a party drug for its MDMA-like effects that gradually transitions to amphetamine-type stimulations when ingested. Similar to other New Psychoactive Substances (NPS), their easy availability and low prices make this drug highly attractive to users. Of note, despite the CBSA seizing overall lesser quantities of amphetamines, amphetamine quantities in pill form have increased seven-fold compared to 2015 numbers. This trend is mostly driven by several single large seizures: a 10,865 dose, a 500 dose. Open Source reporting indicates that is an emerging production and distribution hub for synthetic narcotics. However, is not considered a transit country to Canada, as the CBSA very rarely seizes narcotics from that country.

The number of seizures have slightly increased compared to 2016, for synthetic drugs to Canada, and Seizures account for another. A smaller number of seizures are. Senders are likely unaware of Canadian import.

Seizures from continue to arrive. Seizures are generally small in quantity.

continue to be the main transit points for inbound amphetamines.

account for almost half of total quantities (44%), are in powder form and are typically seized

are in pill form.

SUPPLY AND DEMAND FACTORS:

The Canadian Tobacco Alcohol and Drugs 2015 summary states that the prevalence of the use of prescription stimulants among the general population (15 years and older) is 1%, remaining relatively stable since 2005. Users are most commonly individuals whose work requires prolonged periods without rest such as students, athletes and truck drivers. The decrease of seizure quantities in powdered amphetamine and increase of pill form seizures suggest that traditional amphetamine users in Canada have turned to pill form suppliers. This decrease also indicates that Canadian amphetamine consumers are moving to NPS that mimic the stimulant effects of amphetamines. Open Source reporting indicates that there is a large market for NPS with stimulant effects and the demand is increasing. This trend is also reflected in the CBSA's NPS seizures as the total number has doubled from 2016 to 2017 and NPS with stimulant effects constitute second largest type of NPS seized this year following hallucinogenic NPS.

FORECAST:

It is unlikely that the number of 2016 amphetamine seizures will surpass 2017 values, as indicated by the similar number of amphetamine seizures from 2016 to 2017. Amphetamine quantities seized are likely to continue to decrease as more amphetamine consumers move towards NPS that mimic the effects of amphetamine. Amphetamine seizures are likely to arrive. It is also possible that the CBSA will see more amphetamine seizures.

METHYLENEDIOXYMETHAMPHETAMINE (MDMA)

- Schedule I substance under the Controlled Drugs and Substances Act (CDSA)

FORECAST 2018

2017						2016			
BY MODE QUANTITY [# of SEIZURES]	BY REGION		TOP 3 POES		MAIN TRANSIT POINTS		BY MODE QUANTITY [# of SEIZURES]	BY REGION	
	kg / dosage	# of SEIZURES	kg / dosage	# of SEIZURES	2017	2016		kg / dosage	# of SEIZURES
Total:	6 kg / 2,927 d [291]						Total:	5 kg / 2,569 d [368]	
Exports:	3 kg / 634 d [60]						Exports:	3 kg / 407 d [206]	

ANALYSIS

ANALYSIS:

In 2017, MDMA (also known as ecstasy) quantities seized increased (+20% kg / +13% doses) compared to 2016. Discounting the 1 kg seizure - the largest inbound seizure this year - quantities seized remained stable. Exports are mainly sent from CBSA. Similarly to 2016, the vast majority of MDMA smuggling occurs via the Dark web, which likely indicates personal consumption. Given the size and method of arrival, it is likely that such MDMA shipments were purchased online or via the Dark web. According to the Dark web is primarily used for low to mid value sales, or sales directly to consumers as opposed to large volume sales. The also notes that is one of the most important countries with respect to Dark web drug supply and that stimulant drugs, including MDMA, represent the majority of drug sales. These findings are consistent with the CBSA's inbound seizures. Furthermore, was a top transit country this year based on a 1 kg seizure of MDMA – the largest MDMA seizure since 2012. is also a key transit country, however the average amount seized is very small (1 gram/4 doses on average), likely signalling personal consumption.

SUPPLY AND DEMAND FACTORS:

continues to be the top transit country for MDMA to Canada. The increased in recent years. MDMA is also reportedly imported into the notes that domestic production labs of synthetic stimulants, mainly involved in the production of MDMA and amphetamines, have

¹ number of Canadian users rising from 100,000 in 2014 to 200,000 in 2015. The bi-yearly Canadian Tobacco, Alcohol, and Drugs survey reports that 0.7% of Canadians aged 15+ used ecstasy at least once in 2015, while 6.2% of Canadians reported using ecstasy in their lifetime.

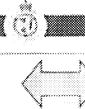
FORECAST:

Officers will likely intercept increasing quantities of MDMA through 2016, as demand for MDMA continues and as OCG's continue to illicitly manufacture MDMA	It is possible that officers will start to encounter more large shipments directly:	however the majority of shipments will likely continue to arrive in Canada in	mode via	will also remain a top transit point, with the majority
of MDMA entering Canada		in small quantities intended for personal consumption.		

HASHISH

- Schedule I substance under the CDSA

FORECAST 2018



2017			TOP 3 POES		MAIN TRANSIT POINTS		2018		
BY MODE QUANTITY [# of SEIZURES]	BY REGION kg	# of SEIZURES	kg	# of SEIZURES	2017	2018	BY MODE QUANTITY [# of SEIZURES]	BY REGION kg	# of SEIZURES

Total: 273 kg [186]
Exports: 1 kg [79]

Total: 32 kg [813]
Exports: 8 kg [530]

ANALYSIS

ANALYSIS:

In 2017, hashish quantities were approximately nine times higher than in 2016, largely due to a 211 kg seizure. This seizure accounts for most of the quantities seized this year (77%) and is highly unusual as it is not a significant transit point for drug trafficking to Canada. Excluding this seizure, the highest quantities seized are mode (20%). The largest seizures were from (bricks of 33, 12 and 5 kg). The number of 2017 seizures has decreased, largely due to a smaller number seizures. It is possible that seizures have decreased due to a shift in user interest from traditional marijuana to concentrates like edibles, topicals or lotions, tinctures, capsules and patches. The majority of seizures continue to occur mode. Seizure quantities for remain low (averaging 5 g a seizure) indicating that travellers are likely transporting hashish for personal consumption as opposed to trafficking. Most seizures are exports (74%), and destined for where the substance is illegal, such as

SUPPLY AND DEMAND FACTORS:

The continuous large number of export seizures likely indicates domestic production of hashish in Canada. Organized crime groups in Canada both import and export hashish. Numerous Canadian based open-source sites offer to sell quality hashish, many believed to operate the large seizure. The large inbound seizures demonstrate that the Canadian consumer market for hash is not satisfied solely with the domestic supply. It is likely that both the UNODC estimates that most of the cannabis resin found continue to rank as top hashish producers in the world. Other countries like are known to produce hashish on a smaller scale. The UNODC reports that cannabis use, including hashish, remains stable globally, shows signs of increases in consumption.

FORECAST:

It is likely that the import of hashish will continue over the next year, despite the legalization of cannabis. Canadian consumers are likely to continue to seek more potent versions of hashish produced despite domestic availability. Furthermore, the number of hashish export seizures will likely increase over the next year. Canada's reputation as a source of quality cannabis is increasing and the legalization of recreational marijuana in Canada will likely make headlines worldwide, thereby attracting new buyers abroad. Canadian organized crime will likely continue to produce hashish for domestic and international sale. The legalization of recreational marijuana will likely result in an increased domestic supply of cannabis for purposes including hashish extraction. Individuals who have not previously been involved in cannabis trafficking could go beyond the allotted limits on cannabis plants to make a profit and organized crime will continue to export it abroad.

MARIHUANA

• Schedule II substance under the CDSA

FORECAST 2018



2017					2016				
BY MODE QUANTITY		BY REGION		TOP 3 POES		MAIN TRANSIT POINTS		BY MODE QUANTITY	
[# of SEIZURES]		# of SEIZURES		# of SEIZURES		2017		[# of SEIZURES]	
kg		kg		kg		kg		kg	
Total:		422 kg [4,900]						Total:	
Exports:		230 kg [1,614]						Exports:	
								685 kg [8,428]	
								364 kg [5,012]	

ANALYSIS

ANALYSIS:

Compared to 2016, marihuana quantities seized decreased by 38%. The decrease in quantities seized is mostly attributed to a very large 128 kg seizure from in 2016, which inflated the total 2016 quantities seized. The majority of quantities seized continue to be intercepted trafficking (> 1 kg). Most of these seizures These shipments were mostly destined to where the substance is illegal or areas known for organized crime activity in trafficking multiple types of contraband. These seizures were predominantly declared Similar to 2016, exports account for the majority of marihuana seizures. Inbound seizures were predominantly collectively constituting almost half of seizure quantities. The largest inbound seizures was 28 kg, intercepted in Other large seizures from include cannabis-related products like cannabis oils, foods or creams imported either via

SUPPLY AND DEMAND FACTORS:

Canada has one of the highest cannabis consumption rates worldwide. The most recent findings of Statistics Canada determined that over 40% of Canadians admit to having used cannabis in their lifetime. Most of the marihuana consumed in Canada is likely domestically grown. The potency of Canadian cannabis products is reported on and discussed worldwide on online forums for illicit substances. OC networks are known to be heavily involved in cannabis cultivation and trafficking, as the domestic cultivation is a lucrative business both inside Canada and across borders. The types of cannabis-related products seized indicates an evolving demand in Canada. Based on the number of seizures, imported marihuana leaves are on the decline, while products infused with marihuana's active ingredients, cannabidiol (CBD) and THC, are increasing. Cannabis products are also the second largest category within the other controlled drugs. This is likely partly attributed to the legalization and subsequent diversification of cannabis-related products coupled with increase Canadian interest in the cannabis market in anticipation of the legalization of marihuana. For example, though CBD is legally produced and consumed in Canada for medicinal purposes, the amount of THC concentrations present in these products have specified legal limits. Canadian users are likely importing CBD to gain access to higher potency cannabis products, as they are permitted in certain states and readily sold online.

FORECAST:

Quantities seized of imported marihuana will likely decrease due to the rise in the domestic availability of the product following the planned legalization of recreational marihuana by the Canadian government in 2018. However, this legalization is unlikely to significantly reduce the number of seizures at the border, given that marihuana export numbers are high and likely to increase following the implementation of the policy. Travellers will likely cross the border with personal quantities unaware of the continued prohibition on the export and import of cannabis and related products without a valid permit. OC networks in Canada involved in cannabis trafficking are expected to continue to import and export cannabis-related products, but shift their focus to cannabis plants with THC concentrations beyond the legal limitations of licitly produced cannabis, as well as cannabis concentrates. While the legalization of recreational marihuana is scheduled to occur in 2018, edibles, cannabis infused foods and drinks will only become legal in 2019. OC networks will also likely turn to other types of narcotics with higher profit margins.



CATHA EDULIS (KHAT)

• Schedule IV substance under the CDSA

FORECAST 2018



2017		2016	
BY MODE QUANTITY [# of SEIZURES]	BY REGION kg # of SEIZURES	TOP 3 POES kg # of SEIZURES	MAIN TRANSIT POINTS 2017 2016

Total:	10,118 kg [1,400]					Total:	7,599 kg [561]				
Exports:	70 kg [5]					Exports:	0				

ANALYSIS

ANALYSIS:

In 2017, the number of khat seizures more than doubled while quantities seized increased by 33%. Of the 33 are the top transit points to Canada – countries where the Catha edulis plant is legally cultivated. The vast majority of khat is intercepted in seizures, 93%.

Khat seizures and quantities seized have drastically increased within the past several years, with shipments transiting through unusual, non-producing countries. This is likely due to the fact that traffickers now have the ability to transport khat in dried form while retaining its stimulant properties – in the past, traffickers would transport fresh khat, which starts to lose its stimulant effect after 72 hours. In addition to the top transit countries, officers intercepted 74% more khat from five times more khat from, over six times more khat from and over ten times more khat from in 2017 compared to 2016. This year, 9 kg), (3 kg), (2 kg), and (14 kg) emerged as khat transit points. In general, khat primarily arrives in Canada in its dried form.

SUPPLY AND DEMAND FACTORS:

Khat comes from the Catha Edulis plant, which is primarily cultivated in Fresh khat leaves contain cathinone – a schedule III drug under the CDSA. Consumers chew khat leaves, which are known to produce stimulant effects. Open-source information claims that the use and cultivation of khat in has increased as a result of the influx of in the country. Furthermore, overall khat cultivation is also increasing in response to climate change. coffee farmers have reportedly switched to more drought resistant plants like khat in response to harsher climate conditions. If such conditions persist, khat cultivating countries could also choose to grow more of the plant, especially given that khat is reportedly more profitable than other legitimate crops. Khat is known to be consumed by individuals within the in Canada during social gatherings. The recent increase in refugee flows from these regions will likely continue to increase demand for khat in Canada. In 2017, was among the top 20 source countries for refugee claimants in Canada, while claims from increased relative to 2016.

FORECAST:

As demand for khat continues among growing diaspora communities in Canada and cultivation rises, it is very likely that the number of khat seizures and quantities seized will increase in 2018. Based on current trends, the majority of khat will likely continue to be intercepted via with increasing interceptions. It is very likely will remain among the top transit countries for khat, as the plant is cultivated in those countries. Given dried khat's longer lifespan and its current trajectory, it is highly likely that officers will continue to intercept increasing quantities of the narcotic from countries in. It is also plausible that officers will encounter more khat from emerging transit points.



ANABOLIC STEROIDS

• Schedule IV substance under the CDSA

FORECAST 2018



2017		2016	
BY MODE QUANTITY [# of SEIZURES]		BY REGION	
kg / dosage	# of SEIZURES	kg / dosage	# of SEIZURES
TOP 3 POES		MAIN TRANSIT POINTS	
kg / dosage	# of SEIZURES	2017	2016
Total: 245 kg / 95,713 d [817]		Total: 822 kg / 124,250 d [1,118]	
Exports: <1 kg / 5,698 d [82]		Exports: 4 kg / 6,759 d [27]	

ANALYSIS

ANALYSIS:

Overall, the quantity of anabolic steroids seized has decreased over the past year (by 70% for quantities in kilograms and 23% for doses). Steroid quantities likely decreased due to an inflation in 2016 as a result of three large seizures via (of 465 kg, 108 kg and 48 kg). 2017 quantities comprised mostly seizures and a single large 124 kg seizure remain the top transit country for steroids. Two thirds of total quantities seized come from and 20% of these seizures are over 1 kg, indicating likely intended for trafficking. These seizures are typically in powder form, declared

In comparison, only 2% of seizures from indicate trafficking, despite having the largest number of seizures (35%).

SUPPLY AND DEMAND FACTORS:

are considered the world's main supplier for steroids. However, the varying degrees of concealment within the larger seizures from suggest a wide variety of Canadian buyers. Online steroid forums encourage users to order directly from any of the readily available shops on the clearnet, because steroid manufacture and export is legal. However, recent enforcement action in shows that raw materials are also ordered in bulk from by Canadian and steroid vendors, then processed into capsules and distributed to the Canadian and market. These reports not only help explain why is Canada's top transit country for number of seizures despite having smaller seizures quantities, it also helps explain the higher number, but smaller quantity, of exports to. Online forums suggest that steroid users consider domestic shipments or smaller sized shipments from more reliable than large shipments from.

FORECAST:

It is highly likely that steroid seizures will remain varied, with larger powder seizures from and smaller pill or liquid form seizures from. Given that the total quantities seized are significantly impacted by a few single large seizures and that these types of seizures have occurred sporadically since 2010, it is difficult to forecast whether overall quantities will increase or decrease. However, the number of export seizures are likely to continue to increase, as Canadian vendors continue to import the raw products from and distribute the processed form to Canadian markets. Open source reporting indicates that designer steroids, compounds that have similar performance-enhancing effects as steroids but have been slightly modified to beat drug tests, are being manufactured. It is possible that these designer steroids are also being sold in Canada.

PRECURSOR CHEMICALS

• Schedule I / VI substance under the CDSA

FORECAST 2018



Ephedrine



Fentanyl &
Cocaine
Precursors

QUANTITY [# of SEIZURES]	2017		DRUGS MANUFACTURED WITH THE PRECURSORS SEIZED	2016	
	QUANTITY	# of SEIZURES		QUANTITY	# of SEIZURES
	(Litres)	(Litres)		(Litres)	(Litres)
Exports (Ephedrine): 25 kg/ 113,649 d (511)			Methamphetamine/Amphetamine <ul style="list-style-type: none"> Ephedrine Pseudoephedrine Hypophosphorous acid Red phosphorus Cocaine <ul style="list-style-type: none"> Potassium permanganate GHB <ul style="list-style-type: none"> Gamma butyrolactone (GBL) 1,4-butanediol (BDO) Heroin <ul style="list-style-type: none"> Acetic anhydride 	LSD <ul style="list-style-type: none"> Lysergic Acid Penicillidine <ul style="list-style-type: none"> Piperidine Fentanyl <ul style="list-style-type: none"> 4-anilino-N-phenethyl-piperidine (ANPP) N-Phenethyl-4-piperidinone (NPP) 4-Piperidone 	Exports (Ephedrine): 6 kg/63,207 [1,110]

ANALYSIS:

In 2017, the number of precursor seizures decreased (-46%) compared to 2016. Officers seized smaller quantities of potassium permanganate this year. This is likely due to the increased supply of finished cocaine product trafficked to Canada, which reduces the need for traffickers to import cocaine precursors. In May, officers seized 4,020 litres of MDP2P, an MDMA precursor. This was the largest seizure of MDP2P on record, and is consistent with fragmentary reporting of domestic MDMA production. The rise in ephedrine quantities seized – ephedrine quadrupled in powder form and almost doubled in pill form relative to 2016 – is largely due to an increase in exports, mainly departing niethamphetamine. Ephedrine exports are quite small (192 doses on average) and are mainly shipped in pill form. This likely indicates that exporters are targeting the body-building community, given that ephedrine pills would need to be crushed into powder in order to be used as a methamphetamine precursor. In 2017, the CBSA seized three shipments of fentanyl precursors, including one seizure of NPP (517 g) potentially yielding 350 grams of fentanyl; a single seizure of 4-ANPP (103.9 g), possibly yielding 98 grams of fentanyl; and one seizure of Propionyl Chloride (1 L), which could have yielded 2 kg of fentanyl. Since 2010, officers have only intercepted a dozen shipments of fentanyl precursors (ANPP, NPP, 4-piperidone), with the largest shipment (50 kg of ANPP) originating in 2015.

SUPPLY AND DEMAND FACTORS:

Despite their controlled status, a range of precursor chemicals are easily attainable and available for online purchase in Canada. For example, ephedrine is easily purchasable online on nutrition or supplement store websites, and is often labelled as an oral nasal decongestant. Furthermore, open-source reports indicate that MDMA is produced in and trafficked. According to the UNODC, law enforcement have uncovered several MDMA production facilities in Canada within the past few years. The manufacturing of MDMA is reportedly concentrated in the top source country for a variety of precursor chemicals - including BDO, GBL, ephedrine, hypophosphorous acid, NPP, and ANPP - destined to Canada and across the globe. is one of the world's top producers and exporters of precursor chemicals, which are largely exported for legitimate use, however precursors are continuously diverted by OCG's and manufactured in sophisticated yet illegal factories is considered a prime source for precursor chemicals intended for illicit drug production.

FORECAST:

It is very likely that will remain the top transit country for precursor chemicals. It is expected that ephedrine exports will continue to rise, especially given the ease of purchase online in Canada and continued demand. It is unlikely that fentanyl precursor seizures will increase, given that fentanyl synthesis tends to happen abroad and that controlled 4-ANPP and NPP in February 2018. Inbound seizures of potassium permanganate are also expected to remain low, as traffickers continue to transport finished cocaine product to Canada. It is plausible that officers will seize another large shipment of MDP2P, given reports of domestic MDMA production.

OTHER CONTROLLED DRUGS

- Schedule I / II / III / IV / V substances under the CDSA

FORECAST 2018

Cannabis, NPS
& Phenacetin

2017 BY MODE [# of SEIZURES]	MAIN SUBSTANCE CATEGORIES CLASSIFIED UNDER "OTHER"	MAIN TRANSIT POINTS		2016 BY MODE [# of SEIZURES]
		2017	2016	
Total: 3,987 Exports: 1,852	<p>Cannabis products:</p> <ul style="list-style-type: none"> Cannabidiol – a non-psychoactive chemical found in the cannabis plant that serves medical purposes. Liquid THC – liquid extract made by soaking Tetrahydrocannabinol, the main psychoactive ingredient in the cannabis plant, in another liquid (i.e. alcohol). Liquid THC is mainly used for oral consumption or in an electronic vape pen. <p>New Psychoactive Substances (NPS):</p> <ul style="list-style-type: none"> 3-MeO-PCP – highly powerful research chemical that produces hallucinogenic and stimulating effects when administered. Substituted cathinones – naturally occurring chemicals that have similar properties to amphetamines (i.e. bath salts) Synthetic cannabinoids – substances designed to mimic the effects of THC, the main psychoactive ingredient in cannabis (i.e. spice, or K2). N-Dimethyltryptamine (DMT) – a psychedelic substance present in numerous species of plants. <p>Cocaine cutting agents:</p> <ul style="list-style-type: none"> Phenacetin – an anesthetic commonly used as a cocaine cutting agent. 			Total: 4,866 Exports: 2,187

ANALYSIS, SUPPLY AND DEMAND FACTORS:

Cannabis products have surpassed the NPS in quantity seized and number of seizures to become the second largest category within the other controlled drugs, with the number of seizures tripling in the past year. Most seizures are liquids like THC and cannabidiol oils, where a small amount were described as cannabis-related vaping cartridges or e-juices. The CBSA also seized edibles (e.g., syrup, gum and candy) and cosmetics (e.g., soap, moisturizer, lip balm and shampoo). This upward trend is likely encouraged by the legalization and subsequent diversification of cannabis-related products, the increasing popularity of electronic cigarettes and vape pens coupled with an increased Canadian interest in the cannabis market in anticipation of the legalization of marijuana.

The number of NPS seizures is also on the rise, doubling in the past year. Half of NPS seizures are hallucinogens including plant-type substances like dimethyltryptamine (DMT) and designer drugs like 2C-B and 251-NB0H, while a quarter are stimulants like phenylpyridine-type substances and synthetic cathinones. Synthetic cannabinoids, dissociative substances and fentanyl-related NPS make up the remainder of seizures. A quarter of NPS seizures are exports and most are DMT or phenylpyridine-type substances (3-MeO-PCP) from the fifth largest vendor by country and specializes in ecstasy-related drugs. The reports that the is a known source country for NPS to Canada. According to RAND, also offers a considerable number of clearnet shops offering NPS.

Quantities of cocaine cutting agent have also increased markedly over the past year, as phenacetin quantities are seven times larger than in 2016. Phenacetin seizures constitute the majority (79%) of the total quantities seized within the other controlled drugs. The CBSA's second largest seizure of phenacetin (2,000 kg) was made during the second-half of the year. It was declared as a top phenacetin exporting country to Canada. This increase in seizures is likely due to the cocaine boom in As larger quantities of cocaine are produced and smuggled to Canada, more cutting agents are required.

FORECAST:

The number of seizures within the other controlled drugs is likely to be higher in 2018, as given overall increases in prescription medication, cannabis products and NPS seizures in 2017. It is likely that the CBSA will begin to seize higher quantities of prescription opioid, tramadol, over the next year. Though this year's tramadol seizures account for less than 1% of quantities of prescription medication, the drug is inexpensive, widely used and easily acquired a main transit point for prescription medication to Canada. Cocaine cutting agent seizures are also likely to increase over the next year given the high seizure quantities of cocaine and the assessment that cocaine seizures quantities are unlikely to subside. Cannabis product seizures are unlikely to decrease upon legalization of cannabis in Canada, as legal limitations on licitly produced cannabis will remain and edibles and cannabis infused foods and drinks will only become legal in 2019. The number of NPS seizures are likely to increase over the next year, as they remain popular in online forums and largely accessible over the Internet. Hallucinogenic and stimulant-type NPS are likely to remain the most common types of NPS seized.



Drug Analysis Report (DAR) - Notes

The following report will provide statistical information on each of the main categories of drugs seized by the CBSA, coupled with trend analysis, examination of supply and demand factors as well as forecasts for 2018. All data was extracted from the Integrated Customs Enforcement System (ICES). The following is an explanation of some of the key terms used for each category of narcotics:

Modes

- Air (P): air traveller/passenger stream at Canadian international airports.
- Air (C): commercial courier parcels arriving by air.

Regions

Atlantic (ATL)
Québec (QUE)
Greater Toronto Area (GTA)
Northern Ontario (NOR)
Southern Ontario (SOR)
Prairie (PRA)
Pacific (PAC)

Other Terms

Drug Enforcement Agency (DEA)
Canadian Centre on Substance Abuse (CCSA)
Controlled Drugs and Substances Act (CDSA)
Centre for Addiction and Mental Health (CAMH)
Port of Entry (POE)
United Nations Office on Drugs and Crime (UNODC)
New Psychoactive Substances (NPS)
Amphetamine Type Substances (ATS)
Lester B. Pearson International Airport (LPIA)
Pierre Elliott Trudeau International Airport (PET)
Kilograms (kg)
Grams (g)
Doses (d)
Litres (L)

Main Transit Points

Ranking criteria: 1) largest quantities seized from a country; 2) largest quantities and highest number of seizures; and 3) highest number of seizures.

Time Periods

Mid-Year 2017 - January 1 to June 30, 2017
2016 - January 1 to December 31, 2016
2017 - January 1 to December 31, 2017

Information Regarding DAR Data

Information for this report was retrieved from ICES for the period of January 1st, 2017 to June 30th, 2017. Data was pulled over the period of July 3rd to the 15th, 2017. Subsequent changes to 2017 data in the system were not captured.

For the purposes of this report, countries found in the "Transit" category may also be origin countries in some instances. The lists are based on ICES point of origin.

Residue seizures were not counted towards total numbers.

Modes were determined based on the POE. For POEs where the mode was unclear, closer analysis was done in order to determine in which mode the narcotics were seized.

Air commercial mode includes courier parcels as well as other commercial cargo, including all seizures listed under the "Cargo" section of airports in ICES.

Outbound drug seizures are included in total numbers and referred to as "exports".

Methamphetamine numbers include methamphetamine seized in powder and crystal form.

All original units of measure are referenced as reported in ICES.

Reporting on fentanyl was done in grams on the fentanyl page, given that shipments are usually reported in grams due to the high potency of the narcotic.

This report uses the NPS definition as set out by the UNODC. Some of these substances have similar effects to drugs under international control such as cannabis, cocaine, heroin, LSD, MDMA and methamphetamine. The term NPS does not refer to substances that are "new", but to substances that are not controlled by the 1954 Single Convention on Narcotic Drugs or the 1971 Convention on Psychotropic Substances, and may pose a public health threat.

Prepared by: M.P., V.S. and MFL
Current Intelligence and Analysis Section

YEAR-END 2017 DRUG ANALYSIS REPORT (DAR)
 ENFORCEMENT & INTELLIGENCE OPERATIONS DIRECTORATE

KEY TRENDS

- The CBSA seized lower quantities of heroin in 2017 compared to 2016, while the largest quantities of heroin continue to be trafficked to Canada from [redacted]
- Officers seized higher quantities of cocaine in 2017 compared to 2016, which is likely attributed to record high levels of coca bush cultivation in [redacted] while the highest number of seizures passed through the [redacted]
- While the number of fentanyl seizures remained stable in 2017, the number of export seizures increased and were primarily destined to [redacted] This likely indicates the presence of online vendors operating in Canada. Fentanyl is primarily shipped in the [redacted] modes,
- In 2017, traffickers transported higher quantities of narcotics to Canada via the [redacted] modes, including cocaine, heroin, opium, meth, hashish, phenacetin, and MDP2P, a precursor for MDMA.

The global supply of **cocaine** is increasing as illicit coca bush cultivation hits record high levels in [redacted]

Rising quantities of cocaine are reaching Canada given high demand and surges in global supply.

FENTANYL

9 NEW FENTANYL ANALOGUES were seized in 2017.

The largest fentanyl seizures (+200 g) were usually of non-controlled analogues in [redacted] Once the [redacted] analogues were regulated, the quantity seized per shipment dropped considerably. Clandestine [redacted] labs [redacted] continue to create unregulated variants of fentanyl to meet demand.

POWDER: Quantities decreased by half. **PATCH:** Quantities increased from 31 to at least 600 in 2017.
 Source Countries: [redacted] Source Countries: [redacted]

COUNTRY SPOTLIGHT

[redacted] cocaine production increases in [redacted] traffickers will likely continue to [redacted] As [redacted]

DRUG	2017: Quantities	2016: Quantities
Opium & Heroin	465 kg	557 kg
Fentanyl	11,952 g >683 d	20,670 g 193 d
Cocaine	2,732 kg	2,453 kg
Methamphetamine	80 kg	133 kg
Amphetamine	15 kg	40 kg
MDMA	6 kg	5 kg
Hashish & Marihuana	695 kg	717 kg
Khat	10,118 kg	7,599 kg
Steroids	245 kg	822 kg
Precursor Chemicals	138 kg 4,946 L 118,399 d	17 kg 4,165 L 131,654 d

Top POE by Commodity by Quantity

Commodity	#1	#2	#3
Fentanyl	[redacted]	[redacted]	[redacted]
Cocaine	[redacted]	[redacted]	[redacted]
Heroin	[redacted]	[redacted]	[redacted]
Meth	[redacted]	[redacted]	[redacted]

HEROIN ROUTING TO CANADA

Most heroin in Canada is produced in [redacted] arriving in [redacted] the country via the [redacted]

KEY MODE HIGHLIGHT



FORECAST

Relevant Canadian Trends

- Higher Canadian consumption rates are increasing with cocaine production.
- The increasing number of overdoses and deaths caused by opioids is a national public health crisis and a top priority for the Government of Canada.
- OMGs continue to have a prominent presence in Canada's drug markets.
- Hallucinogenic and stimulant-type NPS were the most common types of NPS seized in 2017. This trend will likely continue in 2018.
- Marihuana concentrates (like edibles and cosmetics) are gaining popularity in Canada. This trend will likely continue in 2018.

TO WATCH: Trends World Wide

Modes, Transit Points and POEs

COCAINE (INCREASE)	FENTANYL (STABLE)	HEROIN (STABLE)	OPIUM (INCREASE)	METHAMPHETAMINE (INCREASE)

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frontaliers du Canada

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Drug Analysis Report (DAR) Year-End 2018 (January to December)

Current Intelligence and Analysis Section
Intelligence Operations and Analysis Division
Enforcement and Intelligence Operations Directorate

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** The *Notes* page includes abbreviations, time periods and additional information regarding the methodology.

YEAR-END 2018 DRUG ANALYSIS REPORT (DAR)

ENFORCEMENT & INTELLIGENCE OPERATIONS DIRECTORATE

HIGHLIGHTS

- Inbound methamphetamine quantities seized rose by 333% this year relative to 2017, amid increasing domestic consumption. While a portion of the drug is likely produced domestically based on continued precursor seizures, domestic availability of precursors, and recent clandestine lab discoveries, the largest methamphetamine imports have displayed probable links —the site of rising methamphetamine production.
- Cocaine quantities seized decreased by 59% relative to 2017, despite rises in domestic demand and increasing levels of coca cultivation —key source countries of cocaine to Canada.
- The majority of inbound marihuana volumes were interdicted pre-legalization, however large marihuana imports (+17kg) are continuing post-legalization. This is likely partly due to domestic supply shortages. Users continue to import cannabis products that are still illegal for domestic sale, including edibles and concentrates. Post-legalization marihuana export volumes are rising relative to pre-legalization and 2017 figures.
- Fentanyl(s) quantities seized decreased this year (-64%) relative to 2017, although the number of fentanyl precursor seizures rose by 133%, potentially yielding multiple kilograms of the drug. Opioid related deaths in Canada involving fentanyl(s) continue to occur at high levels. Heroin (-11%) and opium (-28%) seizure volumes also diminished in 2018 compared to 2017, despite high levels of opium cultivation.

COCAINE

While seizure quantities decreased, partner agencies seized multiple loads of cocaine en route to Canada.

Levels of coca cultivation in 2017 relative to 2016 rose in

TOP MODES, QTY & TRANSIT COUNTRIES

The was the top cocaine trafficking region to Canada in 2018. This trend is likely partly due to , which contributed to increasing trafficking activity in the

METHAMPHETAMINE



Methamphetamine quantities seized sharply rose, primarily due to an increase in shipments with probable links to

continue to produce large quantities of crystal methamphetamine.



A portion of shipments linked to are likely further transshipped through Canada and due to high profits attained in the region.

CANNABIS EXPORTS

Marihuana is the most widely used drug across the globe



In 2018, dried cannabis (marihuana) was the most commonly exported form of cannabis

2018 EXPORTS of DRIED CANNABIS

Pre-Legalization (Jan 1—Oct 17): 675 kg

Post-Legalization (Oct 18—Dec 31): 366 kg

2018 EXPORT DESTINATIONS (+1kg)

DRUG	Year-End 2018 : Quantities	Year-End 2017: Quantities
Opium & Heroin	358 kg	465 kg
Fentanyl	4,263 g/ 368 d	11,952 g >683 d
Cocaine	1,117 kg	2,732 kg
Methamphetamine	344 kg/ 381 d	80 kg 1,092 d
Amphetamine	12 kg/ 2,965 d	15 kg 14,172 d
MDMA	20 kg/ 7,487 d	6 kg 2,297 d
Cannabis	2,230 kg / 112, 687 d	695 kg
Khat	1,067 kg	10,118 kg
Precursor Chemicals	109 kg 2,754 L	138 kg 4,946 L
	124,229 d	118,399 d

Top POE by Quantity	NARCOTIC	#1	#2	#3
Fentanyl	(3246 g/ 333 d)	Centre (503 g)	Traffic (191 g)	
Cocaine	(34 / kg)	(18 / kg)	(15 / kg)	
Heroin	(41 kg)	(38 kg)	(29 kg)	
Meth	(129 kg)	(105 kg)	(64 kg)	

TOP TRANSIT COUNTRIES BY QTY / SEIZURE #

Fentanyl(s) powder— 1,021 g/ 9 Fentanyl(s) powder- 549 g/ 3
Precursors — 107 kg/ 141 L/ 16 Precursors— 3,575 L/ 6

Methamphetamine—190 kg / 67 Cocaine—188 kg / 91
Cannabis Products—234 kg/ 99,550 d/ 6,154

Fentanyl(s)—334 patches/ 1 blotter / 3 MDMA—4 kg/ 6855 d/ 722
Methamphetamine—3 kg / 368 NPS—10 kg/ 443 d/ 96

FENTANYL

QTY of IMPORTS ↓ EXPORTS ↓



The decrease in inbound quantities seized is likely due to lower production

Officers seized 7 new analogues in 2018

Exports were mainly of blotters, and likely from Dark web purchases.
Export Destinations:



HEROIN & OPIUM

QTY of HEROIN ↓ OPIUM ↓

The majority of heroin and opium in Canada likely originates in and the based on

Opium cultivation remains at record levels with traffickers capable of exporting 250-300 tons of heroin to markets abroad.



Top opium transit routes:

Top heroin transit routes:

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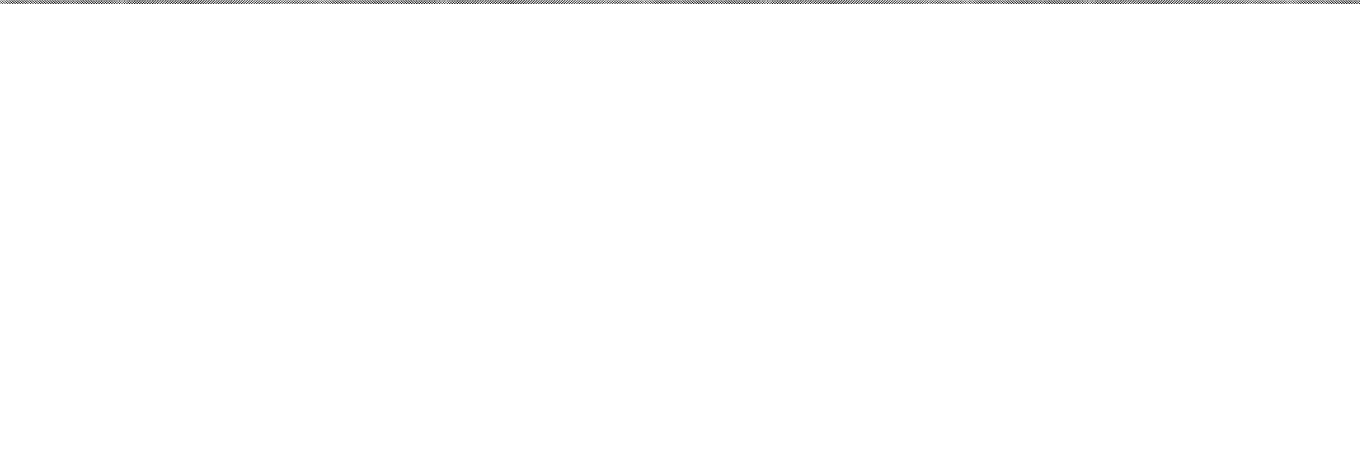


FORECAST

BOTTOM LINE

- Inbound quantities seized of cocaine, methamphetamine, MDMA, NPS, cannabis edibles and concentrates will likely rise in 2019, while volumes of fentanyl and opium will likely remain stable, and heroin will probably decrease.
- Outbound seizure volumes of marihuana (+1 kg) are expected to increase and modes, destined to markets where the drug remains illegal, including OCGs will likely continue to export medium quantities (+3 kg) of methamphetamine to markets in modes, due to high profits attained in those regions.
- The fentanyl landscape is evolving, with production capabilities likely expanding beyond to other countries which will result in different transit routes to Canada. Traffickers are also using new methods of packaging fentanyl(s).
- In 2019, traffickers and OCGs will likely transport drugs to Canada using the following concealment methods and modus operandi, many of which are cyclical in nature and differ by mode:

GLOBAL HOT SPOTS TO MONITOR



FACTORS IMPACTING CANADIAN MARKET

- The Government of Canada intends to legalize cannabis edibles and concentrates for domestic sale in late 2019.
- Varying provincial regulations regarding the location, price, and age of cannabis sale provide opportunities for OCG exploitation, differing by province.
- Domestic use of cocaine and methamphetamine is rising, while opioid-related overdose deaths involving fentanyl(s) continue to occur at high levels. These factors signal continued demand for such drugs.
- The Internet and the Dark web play a key role in facilitating drug transactions, due to the anonymity afforded to consumers and vendors.
- New Psychoactive Substances continue to emerge.

COCAINE: INCREASE

METHAMPHETAMINE: INCREASE

CANNABIS: INBOUND INCREASE

FENTANYL: STABLE

OPIUM: STABLE

HEROIN: DECREASE

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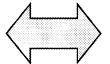
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FENTANYL

FORECAST 2019



Year-End 2018						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017					
BY MODE			BY REGION							BY MODE			BY REGION		
G	D/L	#	G	D/L	#	G / Dosage	# of SEIZURES	2018	2017	G	D	#	G		#

ANALYSIS

ANALYSIS:

The number of fentanyl seizures decreased by 69% compared to 2017 while the quantity seized also declined by 64%. The reduction in imported fentanyl quantities is likely attributed to lower levels of domestic production due to increased regulation changes, a clampdown by law enforcement, and new, innovative concealment methods and transit points used by traffickers. remains the primary source/ transit country of fentanyl powder accounting for 64% of fentanyl powders entering Canada. The is the primary source/transit country for fentanyl patches. Despite a decrease in seizure numbers and quantities, the CBSA encountered seven new fentanyl analogues in 2018, revealing that traffickers are continuing to bypass regulations and law enforcement efforts. The number of seizures via the streams amounted to 71% of fentanyl seizures in 2018 with as the most common final destination totalling 37% and 18% respectively. Export quantities seized decreased by 51% compared to 2017. Exports were mainly seized at the Canada-based fentanyl traffickers

SUPPLY AND DEMAND FACTORS:

In 2018, announced its intention to classify the entire category of fentanyl-type analogues as controlled substances, as opposed to scheduling analogues individually. These new regulations and law enforcement actions will likely force suppliers to explore innovative concealment methods and transit routes or to relocate their production sites to countries with weak law enforcement and established production facilities for other drugs. OCGs are reportedly expanding to and diversifying drug production in a region with established opium cultivation and methamphetamine production capabilities and existing trafficking routes, which could emerge as a hub for synthetic opioids such as fentanyl. OCGs will likely seek to exploit pharmaceutical and chemical industry and produce illicit substances.

Despite a reduction in fentanyl seizure numbers and quantities, opioid-related deaths in Canada are trending to equal similar death tolls as 2017, with 2,066 deaths between January and June 2018, 68% of which were accidental involving fentanyl(s).

FORECAST:

Seizure quantities are expected to remain stable in 2019 due to continued domestic demand and until suppliers in adapt to the recent announcement to designate fentanyl as a controlled substance. There is a high likelihood of fentanyl and fentanyl precursors originating from increasing threat of diversion for illicit purposes, and traffickers shifting production locations due to clampdown on fentanyl production. It is also plausible that officers will increasingly encounter fentanyl(s) from the modes, based on previous fentanyl trafficking activity from and neighbouring potential role as a fentanyl synthesis hub. OCGs will likely continue shifting their operations around fentanyl, especially given its increasing popularity, availability, and profitability in North America. are the two major sources of fentanyl that enter It is likely that OCGs will use established node cocaine trafficking routes to traffic fentanyl into Canada.



COCAINE

FORECAST 2019



Year-End 2018					TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017				
BY MODE		BY REGION							BY MODE		BY REGION		
KG	#	KG	#		KG	# of SEIZURES	2018	2017	KG	#	KG	#	

ANALYSIS

ANALYSIS:

In 2018, cocaine seizure quantities significantly dropped (-59%) relative to 2017. This decrease is partly due to three large marine seizures in 2017 amounting to 1,059 kg of cocaine from . Partner agencies seized several cocaine shipments en route to Canada, including roughly 1,500 kg and at least three totalling 373 kg, These loads were likely travelling towards The CBSA seized four large (35 kg+) cocaine shipments this year, totalling 187 kg.

region to Canada this year, with 53% of total cocaine quantities seized arriving from the region, compared to (25%). I (4%). The CBSA's seizures with a probable and the continue to rise OCGs are increasingly trafficking cocaine through , departing from before final shipment. The I is the top transit country of cocaine to Canada this year, compared to in 2017. Volumes seized from less common I countries also rose since 2016, including largely Officers also seized cocaine directly from (6 kg) via and neighbouring '86 kg) via modes. The CBSA has not seized significant quantities of cocaine (1 kg+) from either country since 2016. also remains a top transit country of cocaine to Canada.

SUPPLY AND DEMAND:

According to the UNODC, the area under coca cultivation increased in +17%) and (+14%) in 2017 relative to 2016, v indicate a decrease (-16%) in cultivation in in the same time period. Despite rising cultivation and inbound seizures from this year, the majority of cocaine in Canada likely originates in based on the scale of Rising cultivation

FORECAST

Cocaine quantities seized will likely increase in 2019 based on rising domestic use and global supply of the drug. Sizable shipments will probably be trafficked to Canada into the I primarily departing from will likely remain the top trafficking region to Canada via modes. This is likely based on high levels of coca cultivation in and increasing organized crime and drug trafficking activity in - the site of increasing OCG and commercial activity. Large seizures are likely in regions, based on previous seizures in these regions.



HEROIN

FORECAST 2019



Year-End 2018				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017			
BY MODE		BY REGION						BY MODE		BY REGION	
KG	#	KG	#	KG	# of SEIZURES	2018	2017	KG	#	KG	#

ANALYSIS

ANALYSIS:

In 2018, the number of heroin interdictions increased (58%) however seizure quantities decreased (-11%) relative to 2017, a trend observed since 2014 coinciding with the rise of the opioid crisis in Canada. Heroin seizure quantities were highest in the [redacted] originating from [redacted] mode. [redacted] recorded the highest seizure numbers, primarily originating from [redacted] mode, while the largest seizures (1 kg+) were from [redacted]. The top heroin transit points to Canada by quantity include countries along [redacted] heroin trafficking, including [redacted] route was used to [redacted] a lesser extent but included the largest heroin seizure quantity originating from [redacted] 41kg) followed by [redacted] (14kg) [redacted]. The reduction in total heroin quantities seized is partly attributed to the decrease in seizure volumes originating from [redacted] (-34%) and [redacted] (-27%) - a trend observed since 2015. The most significant decrease in seizures numbers and seizure quantities were those from [redacted] which saw a reduction of 94% compared to 2017. [redacted] This is supported by the increase in CBSA heroin seizures originating from the [redacted] which emerged as primary transit countries to Canada with combined seizure quantities increased by 256% in 2018 compared to 2017. The [redacted] continue to record the highest number of seizures in [redacted] mode (84%) with quantities 35g or less, likely for recreational use and purchased online. Heroin exports seizure numbers and quantities decreased by 38% and 75% respectively compared to 2017, with the majority at 20g or less indicating personal use. Numerous reports of domestic seizures have shown increasing use of fentanyl mixed with heroin as the two drugs provide similar effects, increased potency and increased profits for OCG's. In June 2018, two individuals were charged in connection with a clandestine laboratory in Burnaby, BC,

SUPPLY AND DEMAND FACTORS:

heroin continues to dominate the Canadian market. Despite decreases in [redacted] opium cultivation in 2018 relative to 2017, the UNODC estimates that traffickers are still capable of producing 250 to 300 tons of heroin for export. DEA reporting indicates that [redacted] heroin production grew by 37% in 2017 and [redacted] remains the primary source of heroin (increasingly mixed with fentanyl) to an expanding user population in the U.S. Although the CBSA has limited seizures of heroin from [redacted] or with links to [redacted] OCGs, there were a few heroin seizures in the U.S., likely pointing to [redacted] OCGs attempts to smuggle heroin to Canada. In August 2018, a joint operation in Toronto resulted in multiple arrests and drug seizures, including 7 kg of heroin which were brought from the U.S. into Canada in tractor trailers. In September 2018, a Canadian truck driver was arrested in Michigan and reportedly admitted that he was directed to smuggle 1 kg of heroin and 41 kg of cocaine from the U.S. to Canada. High levels of heroin production incentivize [redacted] OCGs to further export to Canadian markets.

FORECAST:

The global supply of heroin is expected to continue rising but heroin quantities seized in Canada will likely slightly decrease, based on continuous decreases in the amount seized since 2014. OCGs will probably continue lacing heroin with fentanyl to maintain potency while increasing profits. It is plausible that officers will encounter [redacted] heroin via existing methamphetamine and cocaine [redacted] trafficking routes due to high levels of opium cultivation and increased heroin production in [redacted] compared to previous years. Officers are expected to encounter heroin shipments from [redacted] countries, particularly [redacted] based on existing trafficking routes. It is very likely officers will encounter large scale shipments originating from [redacted] known transit countries of which the CBSA had a significant increase in seizure quantities compared to 2017. Officers can expect see an increase in [redacted] shipments of heroin from the [redacted] with amounts consistent with personal use.



OPIUM

FORECAST 2019



Year-End 2018				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017			
BY MODE		BY REGION						BY MODE		BY QUANTITY	
KG	#	KG	#	KG	# of SEIZURES	2018	2017	KG	#	KG	#

ANALYSIS

ANALYSIS:

In 2018, total opium quantities seized decreased (-29%) relative to 2017. This decrease is partly attributed to a 96 kg marine seizure of opium from in 2017. The CBSA has seized a single shipment of opium (45 kg+) from each year since 2015 at the Vancouver POE, although officers did not encounter a consignment in 2018. remains a major transit route of opium to markets abroad, while opium cultivation continues at record levels. has become the top transit point of opium to Canada this year, with quantities seized increasing by more than six times compared to 2017, mainly arriving via modes. is a consistent transit point of opiates to Canada, although the amount seized varies annually. Domestic opium and heroin seizures are reportedly rising in likely indicating that increasing amounts of opiates are flowing through the country. High levels of opium cultivation have likely led to decreases in global prices of opium. Currency devaluations in also likely further enabled traffickers to purchase more opium at lower costs. Of the 145 kg of opium seized via in 2018, 61% was seized from July to September 2018 – the time period of significant decreases in the value of the "

SUPPLY AND DEMAND FACTORS:

In 2017 and 2018, levels of opium cultivation differed in major global opium producing countries including 2018 UNODC estimates reveal a decrease (-20%) in the total area under opium cultivation in , however cultivation levels are still the second highest ever recorded. The UNODC also estimates that opium production in decreased in 2018 compared to 2017, with cultivation concentrated in the . The continuous decrease in cultivation is likely partly attributed to a regional shift to synthetic drugs, particularly methamphetamine, in drug market. In 2017, illicit opium cultivation also rose by 38% in relative to 2016. are seeking to decriminalize opium production for pharmaceutical use in the state. The is also exploring nationally decriminalizing opium production.

There are no recent estimates of Canadian consumption of opium, however the CBSA has seized an average of 296 kg per year since 2010. These large seizure quantities are an indicator of an established domestic opium market and stable opium consumption, especially given low outbound seizure numbers and quantities.

FORECAST:

Opium quantities seized will likely remain stable in 2019, based on consistent demand and high levels of cultivation in . – the main source of opium in Canada. It is very likely that will remain top opium transit countries to Canada, while various countries situated along the " including the will likely emerge as infrequent transit countries, primarily via modes. Officers should not discount the possibility of encountering a large opium shipment from based on previous year trends, opium cultivation in consistent role as a transit country. It is unlikely that legislative developments in will significantly affect the Canadian opium market, given that the vast majority of opium in Canada is sourced from OCGs reportedly convert opium into heroin for further export.



METHAMPHETAMINE

FORECAST 2019



Year-End 2018						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017					
BY MODE			BY REGION							BY MODE			BY REGION		
KG	D	#	KG	D	#	KG / dosage	# of SEIZURES	2018	2017	KG	D	#	KG	D	#

ANALYSIS

ANALYSIS:

In 2018, methamphetamine quantities seized increased (+330%) in kilograms and decreased by 65% in doses (pills) relative to 2017. The rise in seizure quantities is primarily due to several large seizures with a probable Organized Crime Groups (OCGs), based on their large-scale production of the drug, seizure quantities, concealment methods consistent with OCG and transit routes into Canada. In 2018, the top transit countries to Canada by quantity include (55%) and (30%), the latter of which is also a source country. The CBSA encountered two sizable seizures at Pacific (PAC) Highway (129 kg) in 2018, both arriving from California. Since 2014, main entry point for sizable methamphetamine shipments into Canada, arriving country this year is largely due to a 105 kg seizure of crystal methamphetamine in three suitcases at Pearson Airport from Puerto Vallarta, Jalisco – status as a top transit/source and global seizures often originate. The also remains a key transit country, by seizure number (64%); the drug is primarily transported via mode

SUPPLY AND DEMAND FACTORS:

OCGs continue to produce cheap, pure crystal methamphetamine, with precursors reportedly imported from OCGs are likely driven by increasing demand for the drug in North America, and the intent to offset profit losses due to decreasing marihuana sales. A portion of methamphetamine in Canada is produced domestically, given continued precursor seizures, domestic availability of precursor chemicals, and recent clandestine lab discoveries; however a significant amount of methamphetamine in Canada is also likely produced and supplied by OCGs. A shift towards synthetic drugs, particularly methamphetamine (crystal and tablet) is occurring in with production concentrated in Several indicators – including rising domestic seizures, hospital visits and violent crime linked to methamphetamine, and declining domestic prices – signal an increase in domestic use of the drug, primarily in Western Canada. Health Canada has reported that fentanyl has been found mixed with methamphetamine, although the extent and location of the mixture are intelligence gaps.

FORECAST:

Methamphetamine quantities seized are expected to increase in 2019, based on competition among OCGs seeking to expand their consumer base, increasing supply, and high demand in Canada.

Small seizures will likely continue via the while exports will continue to be destined to based on high profit margins attained in the region. It is plausible that the CBSA will start to encounter the drug via in the cargo modes, although the probability is low as OCGs in the region are targeting markets in



METHYLENEDIOXYMETHAMPHETAMINE (MDMA)

FORECAST 2019



Year-End 2018						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017					
BY MODE			BY REGION							BY MODE			BY REGION		
KG	D	#	KG	D	#	KG / dosage	# of SEIZURES	2018	2017	KG	D	#	KG	D	#

ANALYSIS

ANALYSIS:

In 2018, MDMA (also known as ecstasy) quantities seized more than doubled in both powder and pill form relative to 2017. The significant increase in quantities seized is largely attributed to two seizures. Discounting these two seizures, MDMA quantities seized in powder form remain stable relative to 2017, however seizure quantities in doses more than doubled. MDMA imports are primarily trafficked to Canada in the [redacted] mode into [redacted] in quantities averaging 59 grams/16 doses per seizure. These amounts are likely indicative of personal consumption or small-scale trafficking. Of the six outbound seizures weighing over 100 grams/doses, which likely indicate trafficking, three were destined to the [redacted], two to [redacted], and one to [redacted]. Outbound seizure trends are inconsistent with DEA reporting, which notes that [redacted] Organized Crime Groups in Canada and the U.S. are collaborating to import MDMA into the U.S. via Canada. In 2018, the top transit countries of MDMA to Canada include [redacted] (by quantity), the [redacted] (by number of seizures, and quantity), and the [redacted] (by number of seizures). The [redacted] are consistently top transit countries of MDMA to Canada, however the volume of MDMA seized via [redacted] fluctuates annually. Globally, [redacted] is a transit country of MDMA to markets abroad, largely due to its geographic position [redacted] – both of which are key synthetic drug production and transit hubs in [redacted]. According to the [redacted] Monitoring Centre for Drugs and Drug Addiction (MCDDA), domestic production of synthetic stimulants in [redacted] increased from 2010 to 2012, however the number of dismantled laboratories has consistently decreased in recent years.

SUPPLY AND DEMAND FACTORS:

The [redacted] remains a key source and transit country of MDMA to Canada, with the drug either produced domestically or imported from [redacted] before being exported to Canada. [redacted] Authorities have reportedly encountered increasing numbers of clandestine labs producing amphetamines and MDMA, as well as storage and dumping sites for chemicals used to produce such synthetic drugs. A considerable number of Dark web vendors reportedly operate in the [redacted] likely explaining the CBSA's consistent interception of MDMA postal seizures from the country, with similar Modus Operandi.

Despite the unusual combination based on different effects upon consumption, open-source reports note instances of fentanyl and MDMA mixed together. While the CBSA lab has not encountered this mixture, Health Canada has identified several samples showing this blend, likely indicating that traffickers are mixing both substances domestically. According to the DEA, synthetic cathinones, a type of New Psychoactive Substance (NPS), are often disguised and/or sold as MDMA for use at raves or electronic dance festivals. Young adults - the demographic of individuals most likely to attend such events - are vulnerable to unintentionally consume synthetic cathinones while seeking to consume MDMA. Canadian survey data reveals that there was no change in the prevalence of MDMA/ecstasy use in 2017; usage remained stable, with 1% of the population reporting past-year use.

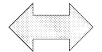
FORECAST:

MDMA quantities seized will likely increase in 2019 based on the continued rise in seizure quantities since 2015, consistent Canadian demand, and available supply. The [redacted] mode will likely continue to be the primary method used to traffic MDMA to Canada due to the anonymity, prevalence of online and Dark web sales, and ease of transport offered by this mode. It is very likely that the [redacted] will remain a top transit country of MDMA to Canada, by seizure number and quantity. Large [redacted] seizures from neighbouring [redacted], particularly [redacted] are also likely.



AMPHETAMINE

FORECAST 2019



Year-End 2018						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017					
BY MODE			BY REGION							BY MODE			BY QUANTITY		
KG	D	#	KG	D	#	KG / dosage	# of SEIZURES	2018	2017	KG	D	#	KG	D	#

ANALYSIS

ANALYSIS:

In 2018, amphetamine seizure quantities decreased in kilograms (~20%) and doses (~79%). The large decrease in doses is attributed to a large seizure of 10,000 pills in 2017. Excluding this seizure, the decrease amounts to ~28%. The number of seizures has remained relatively stable averaging 270 seizures annually since 2015. The CBSA's amphetamine seizures consist of prescription amphetamines as well as substances used for illicit recreational purposes. According to the CBSA Lab, of the limited number of amphetamine samples analyzed, the majority were for illicit recreational use and arrived from Dark web vendors in the I has historically been a source country for synthetic drugs to Canada, however seizure quantities of amphetamine from have been decreasing since 2016. This decrease is likely partly due to domestic diversion of legitimate prescriptions and higher demand and availability for other amphetamine-type stimulants (ATS) such as MDMA, as well as New Psychoactive Substances (NPS) and amphetamine analogues producing similar stimulant effects. In 2018, seizure quantities were highest in the modes. The mode accounted for the highest number of seizures (48%) with the majority of seizures below 10 grams/doses from travellers visiting Canada, likely suggesting recreational use. The largest total quantities of amphetamines were seized in the mode, mainly due to two large shipments at the Vancouver International Airport totalling 5 kg. Seizures from travellers in the mode were predominantly in pill form, concealed within their personal belongings. Seizures from the continue to primarily arrive via the mode, averaging 75 grams per shipment. The highest number of seizures originated from the (43%), primarily through the mode, which represents a 22% decrease from 2017. Export seizure numbers decreased by 44%, mainly in the postal mode compared to 2017. Export seizure quantities in kilograms increased as a result of 2 significantly large seizures in the mode totaling 5 kg of liquid amphetamine. Excluding these two seizures, amphetamine export seizure quantities decreased in doses (~44%) and increased in grams (59%) with the majority below 35g suggesting recreational use.

SUPPLY AND DEMAND FACTORS:

UNODC reporting indicates that amphetamines remain the second most commonly used drug worldwide, with an estimated 35 million past-year users and markets expanding in North America. The increase in seizures in North America is believed to be due to more domestic production in the – a country that accounted for approximately 6% of total quantity of amphetamine seizures worldwide in 2016. Recently, large amounts of amphetamine seizures have been reported in countries such as I organized crime groups (OCGs) remain the top producers and traffickers of synthetic drugs in the while OCGs have an established presence as key suppliers on the online market. Amphetamines produced in I are primarily for domestic use, however some are exported abroad. This trend is consistent with the continuous role as a key transit country of amphetamine to Canada. The 2017 Canadian drug, alcohol, tobacco survey states that 2% of Canadians (15+) reported past-year use of a stimulant (products such as Ritalin, Concerta, Adderall, Dexedrine or others, likely to treat concentration problems), increasing from 1% in 2013, and 2015.

FORECAST:

Although global supply of amphetamines is expected to increase, amphetamine quantities seized in Canada will likely remain stable. The I will likely remain the primary transit countries of amphetamines to Canada in 2019, both by the number and quantity of seizures. Open source reporting and partner information indicate that is an emerging synthetic drug threat, particularly Despite the low number of CBSA seizures originating from these areas, officers should not discount the potential for increased amphetamines seizures from this region. According to the UNODC, the large quantities of amphetamine seized in North America could be due to an expansion of domestic production in the , signalling that officers may encounter large quantities of amphetamines via the in the modes.



OTHER CONTROLLED DRUGS

FORECAST 2019: NPS, Benzodiazepines & Prescription Opioids



Year-End 2018 BY MODE [#]	CATEGORIES OF OTHER CONTROLLED DRUGS	MAIN TRANSIT POINTS		Year- End 2017 BY MODE [#]
		2018	2017	

ANALYSIS

The overall number of seizures in the other controlled drug category – including prescription medication and New Psychoactive Substances (NPS) - increased (+10%) in 2018 compared to 2017. The number of prescription opioid seizures rose (+34%) in 2018 relative to 2017, likely due to high demand. The highest number and total quantities of prescription opioids are seized in the postal followed by modes. The most frequently encountered opioids include codeine, followed by oxycodone, tramadol, buprenorphine, and hydrocodone. Consultations were recently held to schedule tramadol under the CDSA. The number of inbound benzodiazepine seizures increased (+86%) in 2018 compared to 2017, while outbound seizure numbers decreased (-85%). Inbound seizures are primarily under 100 grams/doses, probably suggesting personal consumption. In 2018, officers encountered several large shipments (+500 g/doses) – which likely suggest trafficking – from among other locations, in the modes. According to the UNODC, benzodiazepines are primarily diverted from the legal market in countries they are produced in, however there are instances of clandestine production of such drugs are likely the key source countries of benzodiazepines illicitly imported into Canada based on large seizures from both countries, the size of their pharmaceutical industries, and instances of diversion from legitimate industry. The total number of NPS seizures slightly increased in 2018 compared to 2017. Omitting several large seizures (+500 g/d), the majority of NPS are transported to Canada via t node in small quantities averaging 13 grams/ 86 doses, likely suggesting personal consumption. Exports accounted for 12% of total NPS seizure numbers. In 2018, officers encountered the largest inbound numbers and quantities of tryptamines (psilocybin, harmaline & DMT), followed by phenethylamines (251-NBOH, 6-APB), and synthetic cathinones (3-MMC). Of these NPS, officers continue to seize large quantities of harmaline (found in the Peruvian caapi plant and put into DMT) and DMT, likely indicating that a niche market has formed in Canada. NPS source countries vary per drug, particularly for plant-based NPS. Overall are source/transit countries of multiple NPS to Canada, while the s also a key transit country. According to the based traffickers tend to purchase synthesized NPS from abroad and resell the drugs via system, as opposed to manufacturing NPS themselves.

SUPPLY AND DEMAND FACTORS:

Open-source reports reveal decreases in the quantity of prescriptions of opioids (-10%) and benzodiazepines (-5.9%) in 2017 compared to 2016. Some users are likely illicitly acquiring both drugs to supplement prescription reductions, self-medicate, or misuse with other drugs. Users are facilitated by low prices and ease of purchase on the Dark web or online pharmacies. DEA reporting indicates that traffickers are selling fentanyl(s) in the form of counterfeit opioids and benzodiazepines, primarily alprazolam. The CBSA Lab has not encountered alprazolam mixed with fentanyl, although Health Canada received several exhibits of this blend in 2018, likely indicating that traffickers are mixing both substances domestically. 2017 survey data indicates that 12% of Canadians (15+) reported past-year use of opioids, with similar figures for sedatives, including benzodiazepines. Of sedative users, 1% reported using sedatives to get high, while 3% of opioid users reported problematic use of opioids. The NPS market remains dynamic, as new substances emerge and others establish niche markets. Based on seizure data, the most common NPS include stimulants and hallucinogens. This trend is consistent with domestic use, as statistics reveal continued domestic use of hallucinogens and stimulants, including MDMA and prescription amphetamines.

FORECAST:

The number of postal seizures of NPS will likely increase in 2019, as traffickers continue to produce new types of NPS, and given the niche market that has formed for DMT and Harmaline. If Beijing regulates the entire category of fentanyl(s), suppliers may increase their production of analogues as an alternative to fentanyl, given similar effects. This will likely result in an increase in seizures of l compounds from The number of prescription opioid and benzodiazepine seizures are expected to rise in 2019, due to demand, lowering prescription rates, and online and Dark web availability. The is reporting that traffickers are selling fentanyl-containing counterfeit pills to increase addiction and expand consumer markets. This signals that the CBSA will plausibly encounter this mixture in the node.



CANNABIS

**Data integrity issues exist with cannabis interdictions (seizures & forfeitures). All figures should be interpreted as approximate.
 ** Figures in the charts exclude cannabis input into ICES under both the "other controlled drugs" and "export control" categories. Cannabis input under the export control category are included in the analysis.

FORECAST 2019: Inbound Marihuana, Hashish, Edibles, Concentrates Outbound Marihuana

Year-End 2018 (All Categories)			CANNABIS CATEGORIES	MAIN TRANSIT POINTS		Year-End 2017 (Marihuana & Hashish)			
BY MODE				2018	2017	BY MODE		BY REGION	
KG	D	#				KG	#	KG	#
			New cannabis categories below were introduced in ICES on October 3, 2018.						

New cannabis categories below were introduced in ICES on October 3, 2018.

ANALYSIS

ANALYSIS:
 The Government of Canada legalized recreational cannabis (dried cannabis, plants, seeds, and oils) on October 17, 2018. In 2018, the amount of dried cannabis (marihuana) interdictions increased (+38%) compared to 2017. The majority of these quantities were interdicted pre-legalization, however two shipments totalling 36 kg were interdicted at Pearson Airport post-legalization. Omitting these incidents, inbound marihuana interdictions post-legalization were mainly of small quantities (averaging 10 grams per interdiction), suggesting personal use. After legalization, officers encountered the largest total quantities of cannabis contained in solids (17,098 d/ 122 kg), marihuana (40 kg), cannabis in non-solids (72,000 d/ 8 kg), and concentrates (9,197 d/ 3 kg). Some of these categories include products that are currently illegal for domestic sale, including vaping liquids, topicals, and edibles. The top marihuana transit/source countries by quantity in 2018 were the , followed by , with the majority of marihuana volumes interdicted pre-legalization. Interdiction volumes of hashish, which is presently illegal for domestic sale, also rose (+421%) in 2018 relative to 2017. This increase is largely due to two air cargo shipments, totalling 1,314 kg at from - a key hashish source and transit country. The is the top transit/source country of all cannabis categories, both by the quantity and number of interdictions, in modes. Officers continue to encounter synthetic cannabinoids, which remain controlled under the CDSA, via mode. In 2018, marihuana was the most commonly exported form of cannabis by the number and quantity of interdictions, primarily shipped via nodes. In 2018 pre-legalization, officers interdicted at least 675 kg of outbound marihuana, compared to 366 kg in the months following legalization. The quantity of marihuana exports in 2018 post-legalization (October 18 – December 31) increased (+463%) relative to the same period in 2017, likely signalling that exports will continue to rise. In 2018, marihuana exports (+1kg) were destined to markets where the drug remains illegal, including in via and nodes.

SUPPLY AND DEMAND FACTORS:
 Shortly after Canada legalized recreational cannabis, national supply shortages followed, coupled with rising demand. Estimates of domestic demand post-legalization in the 4th quarter of 2018 reveal an expected rise in the amount of people aged 15+ wanting to purchase legal (5.4 million) and illegal cannabis (1.7 million), compared to 4.6 million pre-legalization in the 3rd quarter of 2018. Existing supply shortages are expected to worsen upon the legalization of edibles and concentrates in 2019, particularly given the anticipated additional demand for such products. Deloitte assesses that 58% of likely cannabis consumers intend to purchase edibles upon legalization. The illicit markets role and size will likely partly depend on whether the legal market can mitigate supply shortages, provide competitive pricing and easy access to various cannabis products, and prevent organized crime infiltration.

FORECAST:
 If supply shortages persist, marihuana imports are expected to increase via the mode). illicit grow operations will also likely continue to supply domestic consumers, until the legal market reaches an equilibrium between supply and demand. The number and quantity of inbound cannabis concentrates and edibles interdictions will likely rise in 2019 – primarily via the modes, given the current layered system of legalization. Officers will likely encounter large hashish imports via source or transit countries in Marihuana exports (+1kg) will likely continue to be destined to via modes given global demand for Canadian marihuana, restrictive drug laws abroad, and accessibility from Canada-based online and Dark web vendors. While s progressing towards the legalization of recreational marihuana, this development is not expected to significantly impact the Canadian market given Canada's recent cannabis legalization.



CATHA EDULIS (KHAT)

FORECAST 2019



Year-End 2018				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2017			
BY MODE		BY REGION						BY MODE		BY REGION	
KG	#	KG	#	KG	# of SEIZURES	2018	2017	KG	#	KG	#

ANALYSIS

ANALYSIS:

In 2018, khat quantities seized slightly increased (+5%) relative to 2017. Khat primarily arrives in Canada via [redacted] mode, followed by the [redacted] modes. The CBSA seldom encounters khat in the [redacted] mode, however officers encountered a 1,327 kg seizure from [redacted] in December – the largest shipment this year and the first seizure from [redacted]. The CBSA has only four other seizures of khat on record since 2014, collectively amounting to 6,397 kg of the drug [redacted]. [redacted] remain the top source and transit countries of khat to Canada, with 54% and 27% of total khat quantities seized arriving from each country respectively. [redacted] also remains a key transit country of khat to Canada, however seizure quantities from [redacted], a top transit country, drastically decreased in 2018 (-98%). The amount of khat seized from [redacted] has decreased across the board. The decrease in seizures from [redacted] is likely due to traffickers shifting transit countries to evade detection. Over the past few years, different countries in [redacted] have emerged as periodic transit countries, transporting medium quantities averaging 7 kg of the drug to Canada.

SUPPLY AND DEMAND FACTORS:

Khat is mainly transported to Canada from the countries where the Catha Edulis plant is grown, including [redacted] to a lesser extent. Khat is also grown in [redacted] however the CBSA has few seizures of khat or other drugs from either country. Khat consumption continues to be a popular social pastime in the [redacted]. While there are no statistics available on demand in Canada, it can be inferred that the main khat consumers in Canada are individuals in [redacted] communities from where the plant is grown. Based on the 2016 census, the largest communities are located in [redacted]. These numbers are consistent with the CBSA's 2018 seizure data, as the [redacted] remains the top import destination, both in terms of the quantity and number of khat seizures. Given that [redacted] it is plausible that the demand for khat may increase as more refugees settle in Canada from the these countries.

FORECAST:

Khat quantities seized will likely increase in 2019 based on the trend in rising quantities seized over the past several years, consistent supply and demand, and plausible increase in consumers. It is plausible that the CBSA will increasingly encounter khat via the [redacted] mode. If this occurs, shipments will likely arrive at [redacted] based on previous [redacted] seizure locations. It is very likely that [redacted] will remain the top source and transit countries of khat, with shipments largely arriving via [redacted] modes.



PRECURSOR CHEMICALS

FORECAST 2019



MDMA &
Methamphetamine
Precursors



Fentanyl
Precursors

Year-End 2018		DRUGS MANUFACTURED WITH THE PRECURSORS SEIZED	Year-End 2017	
QUANTITY and # of SEIZURES [Grams/ Kilograms/ Doses]	QUANTITY and # of SEIZURES [Litres]		QUANTITY and # of SEIZURES [Grams/ Kilograms/ Doses]	QUANTITY and # of SEIZURES [Litres]

ANALYSIS

ANALYSIS:

In 2018, the total quantity of precursors seized increased in doses and decreased in kilograms and litres compared to 2017. Seizure volumes of benzocaine – a non-controlled pharmaceutical commodity also used as a cocaine cutting agent – rose from 2 kg in 2017 to 80 kg this year, largely arriving in modes via 2018 Health Canada records corroborate the presence of benzocaine in some cocaine samples across Canada. High cocaine seizure quantities coupled with decreasing volumes of phenacetin, another cutting agent, also suggest that traffickers are procuring cutting agents domestically, including online, over the counter, or through diversion from legitimate industry. With regard to methamphetamine precursors, total ephedrine quantities seized decreased in kilograms (-96%) but increased in doses (+4%). The vast majority of ephedrine seizure numbers were exports in pill form, averaging 154 doses per shipment. Officers also encountered two large shipments of hypophosphorous acid this year, including 106 kg and 100 L, in the mode via Both shipments were destined to residential addresses plausibly indicating use in clandestine labs. While a significant amount of methamphetamine in Canada is imported, a portion is likely produced domestically, given inbound precursor seizures, domestic availability of dual-use precursors, and clandestine lab discoveries. Domestic authorities discovered at least four production labs since 2017, including in

The extent of domestic production is an intelligence gap. Propionyl chloride - a toxic, colourless liquid used to synthesize fentanyl – was the most frequently encountered fentanyl precursor in 2018, with over 5.6 litres seized, possibly yielding between 9-14 kg of fentanyl(s).

The extent of domestic fentanyl synthesis is an intelligence gap, fentanyl processing labs, where powder is processed into pills, are more common.

SUPPLY AND DEMAND FACTORS:

the world's leading chemical exporter by value, remains the primary source and transit country of precursor chemicals to Canada. is also developing new infrastructure projects, as part of its Belt and Road Initiative, that will gradually connect and increase trade between including previously remote regions. . Despite no precursor seizures this year, also remains a key source country of precursor chemicals to Canada and markets abroad. I also has a significant chemical industry, faces diversion from the legitimate market, and is home to large-scale clandestine laboratories that produce precursors.

FORECAST

Traffickers will likely continue to produce precursors outside of domestic controls, mislabel shipments, and divert chemicals from legitimate industry. Imports of MDMA and methamphetamine precursors will likely continue via in modes, with the largest quantities encountered in the node. Officers are expected to encounter large quantities of cocaine cutting agents, such as benzocaine, as global supply of cocaine remains high and demand continues. Outbound seizures of ephedrine will likely continue. Inbound fentanyl precursor seizures are expected to remain stable in 2019.



Drug Analysis Report (DAR) - Notes

The following report will provide statistical information on each of the main categories of drugs seized by the CBSA, coupled with trend analysis, examination of supply and demand factors as well as forecasts for 2019. All data was extracted from the Integrated Customs Enforcement System (ICES). Some 2017 data is captured in 2018 seizure numbers and quantities. The following is an explanation of some of the key terms used for each category of drugs:

Modes

- Air (P): air traveller/passenger stream at Canadian international airports.
- Air (C): commercial courier parcels arriving by air.

Regions

Atlantic (ATL)
 Québec (QUE)
 Greater Toronto Area (GTA)
 Northern Ontario (NOR)
 Southern Ontario (SOR)
 Prairie (PRA)
 Pacific (PAC)

Other Terms

Drug Enforcement Agency (DEA)
 Organized Crime Group (OCG)
 Port of Entry (POE)
 United Nations Office on Drugs and Crime (UNODC)
 New Psychoactive Substances (NPS)
 Amphetamine Type Substances (ATS)
 Lester B. Pearson International Airport (LBPIA)
 Pierre Elliot Trudeau International Airport (PET)
 Kilograms (kg)
 Grams (g)
 Doses (d)
 Litres (L)

Main Transit Points

Ranking criteria is based on intelligence and the percentage of quantities seized from a country out of total quantities seized.

Time Periods

Year- End 2018 – January 1 to December 31, 2018
 Mid-Year 2018 - January 1 to June 30, 2018
 2017 - January 1 to December 31, 2017

Information Regarding DAR Data

Information for this report was retrieved from ICES for the period of January 1st, 2018 to December 31, 2018. Data was pulled over the period of December 3rd to the 7th, 2018, as well as January 7th to 8th 2019. Subsequent changes to 2018 data in the system were not captured.

For the purposes of this report, countries found in the "Transit" category may also be origin countries in some instances. The lists are based on ICES point of origin.

Modes were determined based on the POE. For POEs where the mode was unclear, closer analysis was done in order to determine in which mode the drugs were seized.

Air commercial mode includes courier parcels as well as other commercial cargo, including all seizures listed under the "Cargo" section of airports in ICES.

Methamphetamine numbers include methamphetamine seized in powder and crystal form. All original units of measure are referenced as reported in ICES. Reporting on fentanyl was done in grams on the fentanyl page, given that shipments are usually reported in grams due to the high potency of the drug.

New ICES categories were introduced in October 2018 to capture dried and fresh cannabis, cannabis seeds, solids, non-solids, concentrates, and synthetic cannabis. Prior to cannabis legalization, some of these cannabis substances were input into ICES under the "other controlled drugs" category. These figures are not included in year-end 2018 cannabis figures. The 2018 year-end interdiction figures in the chart do not include outbound interdictions input into ICES under the "export control" category, however these figures were discussed in the analysis section. The word "interdiction" has been chosen to encompass instances where officers either seized or forfeited cannabis.

This report uses the NPS definition as set out by the UNODC. Some of these substances have similar effects to drugs under international control such as cannabis, cocaine, heroin, LSD, MDMA and methamphetamine. The term NPS does not refer to substances that are "new", but to substances that are not controlled by the 1961 Single Convention on Narcotic Drugs or the 1971 Convention on Psychotropic Substances, and may pose a public health threat.

Analysis of NPS seizures is limited by the fact that most substances are not under national or international control and may not be seized. Analyzing NPS quantities seized may also not reflect availability of such substances since detecting them remains a challenge to law enforcement, in terms of identifying the substance and intercepting substances often trafficked in small quantities via the postal mode.

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